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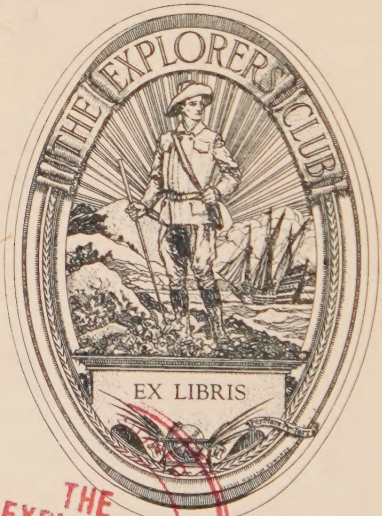

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MEXICO TO-DAY AND TO-MORROW

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MEXICO
TO-DAY AND TO-MORROW

BY
E. D. TROWBRIDGE

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PREFACE

We have, in the United States, a very confused idea of what has been happening in Mexico during the past seven or eight years. Beyond knowing that there have been revolutions and counter-revolutions, with a mass of disorder, and that we have, two or three times, been on the verge of war with our next door neighbor, we know little of what it is all about. In the following pages I have endeavored to give a general idea of the social, industrial, political and economic conditions which have prevailed in Mexico since the fall of the Diaz régime in 1911, and to outline briefly some of the problems which confront the country.

I have not attempted, in this work, anything like a complete history of Mexico, but I have felt that, for a full understanding of present-day conditions, it is essential to examine early Mexican history and the history of Spanish rule and subsequent events insofar as these periods have affected national life. In dealing with events antedating what may be termed modern Mexico I have made no attempt at original research, and, so far as concerns anything prior to 1900, the work here presented is a repetition or reflection of the findings or opinions of Fiske, Prescott, Bancroft, Luis Perez Verdia and other authorities. The story of subsequent events is based largely on personal experience or observation, and on opinions formed through contact with all classes of Mexican society. I have endeavored, in the hope of aiding in a better understanding of the whole situation,

to present the Mexican viewpoint, as well as that of the outsider, on questions of domestic affairs and foreign relations.

I wish to express my thanks to Senores Luis Cabrera, Ignacio Bonillas, Carlos Basave, Eduardo del Raso, Rafael Nieto, V. M. Gutierrez, J. M. Cardenas and other Mexican friends for facilities given me for obtaining data; to Mr. George F. Weeks of Washington for chronological data; and to Mr. C. W. Van Law of Boston for valuable suggestions.

EDWARD D. TROWBRIDGE.

Detroit, December 9, 1918.

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MEXICO TO-DAY AND TO-MORROW

CHAPTER I

ANCIENT MEXICO AND THE AZTECS

Mexico is a land of vivid, startling contrasts. The great Mexican Plateau is a region bathed in perpetual, brilliant sunshine; the Mexican tropical forests are vast, somber jungles into which the sunshine barely filters. It is a land of mystery, and a land of commonplace dirt and existence. Areas of fabulously rich soil contrast with arid desert regions. In Mexican history there are, on the one hand, romance, adventure, chivalry, sacrifice, lofty ideals; on the other, oppression, cruelty, sordid ambition, pestilence. Great wealth confronts the direst poverty. The lights are always strong, the shadows always dark.

Much has been written of Mexican history, of the early architecture, of the Spanish conquest, of wars and revolutions, of industrial growth and possibilities. The purpose of these works has been to make scientific examination of the life of early American peoples, to give purely chronological relation of the course of events in the country, or to treat the question from the viewpoint of world developments in commerce and industry. Little has been written from the viewpoint of the social life of the Mexican people. It is intended in the following pages, to attempt to give some idea of the conditions of the life of the people, of the factors which

led up to the turbulent years through which Mexico has passed, and of the problems which confront the country. It is necessary, however, in order to reach an understanding of present conditions, to review early history, and that of the Spanish rule in Mexico, in so far as these have influenced the development of the social conditions of the people.

Who the original inhabitants of Mexico were, and where they came from, are questions veiled in impenetrable mystery. We are apt to think of the Aztecs as the early people of Mexico. They, however, were relatively late comers. In 1870 there was found at Tequizquiac, in a geological formation of the Nezoic period (the period of fauna gigantica), a skull of a cow, carved in stone, and human bones have been found in old geological formation, indicating that the country was inhabited at a very remote period. The first historic period in Mexico was that in which the great stone monuments and temples were erected by the Itzaes, a race whose civilization spread over Central America and thence along the West Coast of South America. The monuments, constructed of huge blocks of stone, were covered with rich carvings having many of the characteristics of the Assyrian and early Egyptian monuments. The carvings are historical records, with figures and groups of figures used much as hieroglyphics were used by the Egyptians, and while some, by analogy or by traditions picked up by early Spanish priests, have been deciphered, the key to this lost ideographic language has never been found. In general, the early monuments may be grouped into three divisions: Those of the Itzaes, in Yucatan and Central America; those of the Mixtecos and Zapotecos, branches of the Maya race, in Mitla, (in the State of Oaxaca), at Xochicalco, (in the State of Morelos) and at various

points in the States of Puebla and Guerrero; and those of the Toltecs, including the great pyramids erected at Teotihuacan, pyramids at Cholula and other points, and the ruins of great temples and buildings at Tollan (Tula), all points within a hundred miles of Mexico City. Some of the carvings in Yucatan seem to indicate that the Itzaes came from the East, which, if true, would give them North African or Asiatic origin. These people were star worshipers, and had a theocratic form of government. They built, as a capital, the city of Palenque, in Yucatan, whose ruins constitute the most elaborate found in the new world. Palenque probably antedates the Christian era by one thousand to two thousand years.

The Itzaes were succeeded, perhaps overthrown, by the Mayas, whose origin is also lost in obscurity. The Mayas were of the Nahoa family. All legendary and monumental records indicate that this race came from the North, and probably settled in Yucatan in the early centuries of the Christian era. Definite Mexican history begins with the Toltecs. Luis Perez Verdia, whose work, "Historia de Mexico," qualifies him to speak with authority, says that the Toltecs were settled in California, north of the Gila River, at a very early date, and that their earliest legends and traditions indicated that they were of Asiatic origin. Perhaps they came from the far North, after following the chain of islands along the Bering Sea. In any event, they had a capital called Chalchicatzincan, probably in California. After some civil strife, seven chiefs, with a large following, started South at a date computed to be 544 A. D. They moved from time to time, finally establishing the town of Tollanzinco in 645, later, in 661, establishing their capital at Tollan (Tula), fifty miles from the present Mexican capital. Here they built a great city,

grew in numbers and power, and finally dominated the whole of the Mexican Valley region. Their government, which had been a tribal one headed by two chiefs, and five sub-chiefs, was changed into an absolute monarchy.

In any attempts to study the very early history of Mexico one of the difficulties of determining anything as to the age of monuments is due to the tropical and semi-tropical plant life. Buildings, once abandoned, soon disappear under the profusion of foliage, and only chance excavation brings to light what may have been an important city centuries ago. At Necaxa, in the State of Puebla, some American engineers engaged on a large construction job, undertook to open up a large mound, evidently some sort of a ruin. On digging down six feet they found the walls of a Toltec temple, which they uncovered. The building was of massive hewn stone, paved with heavy flagstones. One of the latter was out of place, and, on digging into the hole where it had been the investigators found a small earthen jar containing two sixpence pieces of George III! The building had evidently been used, probably as a residence, as late as the latter part of the eighteenth century, but was so deeply buried in loam that the tops of its walls were six feet below the surface. On the great Mexican plateau, with its altitude of 8,000 feet, plant life is not so luxuriant, and monuments of ancient days do not disappear in this way. However, much of the carved or written record of ancient days has been blotted out by the fanaticism of the Conquerors.

During the Toltec domination another race, the Chichimeca, had probably settled in the Mexico Valley. Their origin is obscure, and little is known of them save that they came from the North. Whether

they succeeded to the power of the Toltecs through prosperity due to tribal growth and energy, or whether they were invaders who overthrew the Toltecs, is not clear. The Toltec rule ended in 1116, perhaps somewhat earlier, and there is a lapse of some years to 1170, when, according to the best evidence, the history of Chichimec rule began. In any event, the Chichimecs apparently came in great numbers, divided into several distinct tribes which settled around the borders of the Valley Lakes. Of these tribes the Acolhuans, later known as the Tezcucans, were the most powerful, and their chief exercised a sort of feudal control over the other tribes. The Acolhuans settled at Texcoco, where, before long, their crude huts, built of reeds, gave way to buildings of brick and stone, and the foundations were laid for a permanent and powerful government. The Xochimilcos settled south of Lake Chalco, the Tepanecs at Atzcapozalco, the Chalcos east of Lake Chalco, and the Tlaxcaltecs on the shore of Lake Texcoco. The Tlaxcaltecs, due to tribal warfare, withdrew early, settling at Tlaxcallan. Of the remaining, the Acolhuans outstripped the others, and their capital, Texcoco, soon became the most important place in the whole of Mexico Valley. This city is credited with having had 200,000 inhabitants, living in 30,000 houses. As the Tezcucans developed picture writing to a high degree a good deal of their history has been preserved. Ixtlilxochitl, a descendant of the royal family, early in the days of Spanish rule wrote an exhaustive history of the Kingdom. Ixtlilxochitl, fortunately, lived at a period so close to the days of Tezcucan domination that he was able to get much accurate information as to the conditions of the life of the people, social customs, and so forth. We have, therefore, a graphic picture of a civilization, quite highly

developed in many respects, existing at a period when the greater portion of the continent was occupied only by savages. The royal palace, which included all public buildings, covered a tract of land three quarters of a mile long by half a mile wide. The royal quarters were luxuriously embellished with alabaster walls and beautiful tapestries of feather work. In the courts were many varieties of trees, and there existed quite elaborate buildings devoted to specimens of animal and bird life. There was also an aquarium containing specimens of fish of the kingdom, and many fish brought from distant points. An elaborate system of courts was established, and something of education was attempted under the care of the priesthood. The greatest development of the kingdom was under Nezahualcoyotl, who died in 1470.

The Aztecs, another race from the North, probably from California, started wandering southward some time in the twelfth century. Traces of their migration are found in Arizona, then in New Mexico and finally in Northern Mexico. At Casas Grandes, in the State of Chihuahua, they built a great city, and the combination palace and citadel, a building or group of buildings of brick, eight hundred feet long by two hundred and fifty feet wide, was, in part, six or seven stories high — probably the first sky-scraper on the continent. The movements of this tribe from Casas Grandes southward are easily traced. The tribe eventually arrived in the lake region of the Mexico Valley, but, as all fertile tracts were already occupied, had to content itself on an island marsh in Lake Texcoco. It is improbable that this spot would have been selected but for the fact that according to tradition an Aztec wise man had said that the people would not settle permanently until they found an eagle and a serpent to

gether. Consequently, when in their wanderings they found an eagle devouring a serpent they decided to stay and make the best of a bad location. They had a hard time of it, as marshes had to be reclaimed to give them any soil to cultivate. Moreover, the neighboring tribes did not want any more people in the valley, and were hostile to a point of persecution. The new people, however, were hardy and tenacious, and, having come more recently from a country where they were in battle with climatic conditions, they were stronger, man for man, than those around them. They stuck to it, managed to hold what they had, and soon had a settlement of a permanent character. Arriving at the lake in 1325, by the end of the century they were influential, and their capital, Tenochtitlan, was of almost equal importance with Texcoco. In a war between the Tezcucans and Tepanecs they came in, at a critical moment, as allies of the former, and helped in the annihilation, in 1428, of Tepanec power. As a reward they were given a large part of the conquered territory.

Shortly after this there was formed an alliance, offensive and defensive, between the Aztecs, Tezcucans. and Tlacopans. By the terms of the Alliance the three contracting parties were to act together for defensive purposes, and were to divide, in proportions of two-fifths, two-fifths and one-fifth, all the spoils of war. No offensive could be undertaken without the consent of at least two of the allies. Each kingdom continued a separate and independent rule, and was at liberty to go on with its own development, and the three were allied only for military purposes. At first the Tezcucans probably dominated the alliance, but later the Aztecs took the lead. It is a somewhat remarkable fact, considering the possibilities of trouble over division of spoils, that the alliance thus formed continued for more

than a century, and was, in fact, only overcome by the Spanish conquest. The alliance was of the greatest importance in the subsequent history of the country, not only because of its strength but because, in the use of that strength, it created many enemies and paved the way for foreign interference.

The Aztecs, early in their history in the valley, were called Mexicans, from their patron deity, Mexitli. As they became the dominating military factor and the leading political power the subsequent operations of the alliance may be considered as of Aztec or Mexican character, and will be treated as such.

The Mexican rule, or, more correctly, the Mexican domination, was now extended rapidly in all directions. It extended east to the Gulf of Mexico, and up and down the Gulf for perhaps two hundred and fifty miles. Toward the south it extended two hundred miles or more, on the west it touched the Pacific Ocean, and on the north it took in practically the whole of the Mexican plateau. Altogether, considering the primitive nature of its people and the humble origin of the dominating nation, it was an extensive country. The great point of weakness in the scheme was, however, that power was not centralized. Each conquered tribe was left to itself and subjected only to paying tribute. Consequently, nothing in the way of a national spirit or power was developed. In fact, the tendency under this scheme was to increase tribal jealousy and hatred, and to throw the subject peoples into any strong combination which might give promise of relief from immediate troubles. There was nothing in this so-called empire to suggest the rule of the Romans, who, on vanquishing a foe, immediately set about to build up, not a tributary nation, but rather a distinctly Roman province. The

situation might be compared to that of the world-wide empire set up by Alexander, who conquered, exacted tribute and moved on, leaving a hundred petty kingdoms in his wake.

CHAPTER II

AZTEC CIVILIZATION

From early days the Toltecs had developed a relatively high civilization. They made much progress in agriculture, knew something of astronomy, formulated a calendar, had an ideographic system of writing, and understood something of government. It would be tedious to attempt any classification, in chronological order, of the social and economic development made by the succeeding nations. It is, however, important to understand, in a general way, the social conditions existing at the time of the Spanish Conquest. In describing these conditions no attempt will be made to differentiate between Toltec, Tezcucan or Mexican civilizations, the three being treated as common to all. The Toltecs and Tezcucans had hereditary monarchs, while the Aztec monarchy was elective. Due to this and to other conditions there were minor differences in laws and in social customs, but the civilization may, for the purpose of this work, be considered as Mexican, especially as the Mexicans largely dominated at the time of the conquest.

The Spaniards, on coming to Mexico, found little to learn from the Mexicans as to agriculture, and, in fact, had much to teach them. It must be remembered, however, that agriculture in Spain had been developed to a very high point by the Moors, and that, agriculturally, they were at that time easily the first nation in the world. It seems probable, from all the data avail-

able, that Mexican progress in agriculture was up to the average of most European countries. They not only tilled the soil, but they understood and developed irrigation. In hilly country the ground was terraced, not only to utilize all available land but to prevent such land, once cultivated, from being washed away in heavy rains. Corn was raised everywhere, and there was a great variety of vegetables. Various spices were raised, and, as a substitute for sugar there were the products of different plants. Cacao (chocolate) was grown in the tierra caliente (hot country) and was in general use. Great quantities of cotton were grown, and cotton cloths, from the coarsest to the finest, were to be had in all parts of the country. The products of other plants were used for making other textiles, and skins and furs were made useful by tanning and treatment. A good grade of paper similar to papyrus was made from the fiber of the maguey plant.

Gold and silver were used for ornaments, and were wrought and carved with considerable skill. Pearls were brought from the Gulf of California, and were much prized. Emeralds, turquoises, opals and other precious and semi-precious stones were also used for ornaments, but were usually in the rough, due to the absence of hard enough materials with which to cut them. For purposes of ornamentation, both in the way of personal decoration and for household use, feather work designs were much used, and in this dainty art the Mexicans excelled. The gorgeously colored feathers of tropical birds were used in immense quantities for this purpose, and the artisans were so skillful that the most intricate and delicate designs were put into tapestries or on cloths for wearing apparel.

There was no phonetic alphabet, but an ideographic system of writing had existed from very early days, and

had been developed to a point where, with the use of conventional hieroglyphics, much could be expressed in writing. In the earlier days this mode of expression appears to have been confined to stone carving, but later a vast amount of picture writing was done. The Mexicans developed this to its highest point by superimposing a color scheme on the original method of written expression. This gave them greater flexibility, as a figure in black would mean one thing, while the same figure in blue would mean something else, or perhaps indicate a different state of the first object. Thus, a disc could mean the sun, a white disc the rising sun, a black disc the setting sun, a disc half-painted white midday, and so on through an endless number of combinations. A footprint meant traveling, a tongue meant speaking, and a man seated indicated an earthquake. Many of the signs were seemingly arbitrary, but doubtless due to some association of ideas. Thus, the serpent was used to represent time. This, while apparently arbitrary, was doubtless due to the idea of the noiseless speed with which time glides by.

The zeal of the Spaniards for religion was as great as their avarice for gold, and their first acts in Mexico were to destroy the old temples. As temple walls were covered with picture writing, all documents and parchments were considered as part of an idolatrous worship and were promptly destroyed. One early prelate made a huge collection of picture writings solely for the pleasure of burning them all at once in a huge bonfire! Possibly in this very fire perished the key to the whole language. At all events, in the first few years the Spanish destroyed every piece of writing found, and only after their first fanatic fury was exhausted did they realize what they had done. Then the priests began to decipher such manuscripts as turned up, either by use of

such other documents as they had or by combining them with traditional history. Thanks, then, to the same church which destroyed the greater part of the written records, some of the old manuscripts remain and are useful in forming an idea of the history and life of the people. That there was a clearly defined if intricate means of expressing thoughts in writing is certain, and that this had been developed, not merely to represent single ideas but to record past events with careful reference to their chronological order, is also certain. The people, then, had long passed the stage of living the day for itself, and had developed in thought to a point where they wished to record what had gone before. In other words, they had made a great step in civilization, not only in agriculture and in the development of comforts, but also in thought. How rapidly they reached this stage is uncertain, but from their knowledge of astronomy it seems probable that the process took many centuries.

The movements of the sun, moon and planets must have been observed and recorded for many years, for they had a remarkable knowledge of the revolutions of the different bodies. Their calendar was amazingly accurate, although worked out on a totally different basis than ours. The year was divided into eighteen months of twenty days each, and each year five extra days were added. This gave them a year of 365 days. To make up the actual loss in time extra days were added during each cycle, 13 in most and 12 in the others, on a basis of making a total addition, in 20 cycles of 1040 years, of 252 days. This gave them, in 1040 years, a total of 379,852 days, as against actual time of 379,851 days, 1 hour, 5 minutes and 2 seconds. The calendar would, in other words, serve 23,000 years before an error of a full day would occur. In the Julian calendar, in use

at the time of the Spanish Conquest, there was an error of over 8 days in 1040 years, and the Gregorian calendar, now in general use, is a day in error every 3323 years. While it may be of small interest to know that we cannot run nearly as long without losing a day, it is of the highest interest to know that this people had, at such an early date, made such close and accurate observations. The Aztec calendar stone, unearthed in the main plaza of Mexico City in 1790, gives a marvelously ingenious combination of the days, months, years and cycles, and, erected in a vertical position, it acted as a sun dial. With indications of the equinoxes and solstices, it gave a complete and accurate statement of time, hour, day, month, year and cycle,— probably the most complete affair of its kind ever erected.

The Mexican had an elective monarchy. During the reign of a monarch the nobility named four electors, who, on the death of the monarch, named his successor, and the latter was usually of the same family. Unless a son of the deceased monarch was of mature age, a brother or nephew was chosen. The monarch was supreme in all matters, with one important exception. In each kingdom there was a supreme judge, named for life and independent of the king. Thus provision was made for dispensation of justice without any influence or pressure from the court. In each province there was a lower court, and below this were minor magistrates in every village or district. On the presentation of cases before the two upper courts, and perhaps before magistrates, a record of the facts or claims was made in picture writing, this work being done by an officer of the court corresponding with our court stenographer. The care with which these records were made is attested by the fact that old records were accepted by the Spanish for several years after the conquest.

The laws, as with all primitive peoples, were severe. Murder was punished with death, and adulterers were stoned to death. Thieving was punishable with death or slavery, according to the gravity of the offense. Changing boundary lines or falsifying weights were capital offenses, as was breach of trust by a guardian. Intemperance was punished with death for young men, and with loss of property for old men.

Public debtors were sold as slaves. Prisoners taken in war could be sold into slavery, and the very poor often sold themselves or their children. Slaves were well treated, and had certain rights. They could work for others when not needed by their owners, and thus could acquire property. They were even allowed to own slaves. Children of slaves were free.

There was no currency, and trading was mostly by barter, supplemented by the use of quills filled with gold dust. As a medium of exchange bags of cacao beans, containing a fixed weight of beans, were used. Small pieces of tin, cut T shape, were also used in trading, the value, as with the cacao beans, being intrinsic.

While some of these features were of a primitive nature, others, especially those of the provisions for courts of justice, showed a high order of development. In general, the political organization was well laid out to fit the needs of the people, and there appears to have been a disposition to do justice to all classes of people.

The religious beliefs of the Mexicans present curious contradictions. They believed in a "god omnipotent," "by whom we live," "giver of all gifts," "of perfection," "under whose wings we find repose and sure defense"— in other words, in a supreme deity, creator and ruler. This conception was so great as to stagger the average primitive mind. Clearly, there must be one Supreme Being, omnipotent, without beginning and

without end. But how could He, alone, rule the destinies of a world full of many peoples? The creation, in the dim past, was not so staggering, but the multiplex duties of a god in guiding the universe were manifestly too great to be carried out without assistance. To meet this, the Mexicans developed the idea of a number of inferior gods who were charged with specific duties. Huitzilopochtli, the god of war, had to do with all war matters. Quetzalcoatl, god of the air, was a benevolent deity who, in the dim past, had quarreled with the other gods and had been driven out, leaving the country in a boat and going East, promising to return. There were gods of the air, of the household, of the harvest, and so forth, with a total of thirteen major gods inferior to the Supreme Being. Again, there was a confused doubt if these gods could properly take care of a thousand and one things without outside help, so two hundred minor gods were conceived, and to them were given all the details in the management of everyday life. While, ethically, the addition of many minor gods detracts from the perfection of the scheme, it is, nevertheless, of greatest interest to know that the Mexicans had, in the idea of a Supreme Being, the greatest of religious conceptions. Their belief in immortality was a natural consequence of a belief in a supreme being. They believed in various grades of future life. Soldiers who died in battle were most highly honored, as their spirits were supposed to immediately go to the Sun, and after a space of time spent in songs and dances in the Sun's travels in space, the souls animated song birds living in paradise. Evil spirits went into a place of eternal darkness. There was not, in their conception of paradise, anything of the material sensualism so characteristic with primitive peoples, and their idea of a place of punishment is unaccompanied by any sugges-

tion of torture. The whole tendency of their religious belief, especially in its early stages, was along poetic lines. The gods were propitiated with offerings of fruit and flowers. The sun, bringing warmth and light, was considered as the direct agent of an omnipotent power. It was the generating impulse of the world, and was therefore frequently represented as double to indicate two sexes. The rite of baptism was practiced, the lips and bosom being sprinkled with water. At death the body was covered with scraps of paper to protect the spirit on the dark road — a practice followed, in one form or another, by the Egyptians, Phœnicians and other early peoples, and having its counterpart in a part of the burial service in the Roman Catholic Church. Remains were cremated and the ashes kept in vases in each household. Confession to priests was obligatory, and penances were imposed. Confession, however, was only made once in a lifetime, doubtless on the theory that atonement and subsequent sinning would be incompatible. Consequently, confession was usually made late in life. Then a lifetime of sins could be confessed and atoned for. The priests, on confession, gave absolution. This absolution was of material as well as of spiritual value, as it carried with it immunity from arrest for various offenses. After the Conquest the natives, when arrested, frequently presented evidence of confession in expectation of immunity. As the act of confession was the most important one in life, the simple folk doubtless had a confused notion of the very futility of existence when it represented nothing in the new order of things.

The priesthood was numerous and powerful. Five thousand priests, it is said, were attached to the main temple, and doubtless a goodly percentage of the entire population were in the priestly orders. Education,

chiefly relative to church ritual, picture writing, astrology and astronomy, was in the hands of the priests. There was no attempt at any popular education, but any one desiring to enter the priesthood became a novitiate and was put through a long course of instruction before being given orders. The priestly orders included nuns, who, in addition to taking part in some of the ceremonies, did feather work and embroidery for coverings for the church altars.

As has been pointed out, the earlier tendencies of religion were along very gentle lines, and the sacrifice of human life, developed later to such horrible proportions, seems inconsistent with the poetry of the scheme. It is certain that human sacrifice as a religious rite was unknown until about 1325. The practice was brought from the North, perhaps by the Chichimecs but more likely by the Aztecs, as its appearance coincides with their arrival at Lake Texcoco. Prescott and many other writers assume that this dreadful practice could only have been introduced by a ferocious people, and they make frequent reference, based on this hideous rite, to the ferocity of the Aztecs. It must be remembered, however, that the offering of a sacrifice of blood to the gods, and frequently of human blood, has been common in all early civilization. Its adoption by the Aztecs may have been purely accidental, due to some dire necessity of flood or famine, when it was felt that nothing short of some extraordinary sacrifice would appease the wrath of the gods. It became a species of fanaticism, and many who wished to attain especial glory or atone for great sins offered themselves to the priests for the purpose. It was religion gone wrong. As the custom was developed on an ever-ascending scale, war was waged on innocent neighboring tribes solely to obtain victims for sacrifice. From all the evidence gathered by the Spanish

conquerors it seems clear that a large part of the scheme of expansion developed by the Mexico Valley alliance was simply to secure victims for the great festivals.

Such wholesale slaughter does not seem in keeping with the idea that the people were of a peaceful disposition. The Aztec religion, however, was of a mysterious sort, appealing, in many ways, to the imagination. The great temple at Ixtacalco was on the top of a hill which commands a vast stretch of country lying two thousand feet below, and many other temples were placed amid surroundings which suggest the weird pictures of Doré. To such points the great throngs came to worship, and here, in the vast spaces of nature, they listened to incantations and appeals to their gods. In the capital the temples were built on high mounds or pyramids, with paved roadways winding to their tops, where, in front of altars, sacred fires always burned. One can imagine the multitude watching an endless procession of priests, in their weird robes, chanting their way up to the altar, where, in view of all below, the incantations ended in an offering to the gods. What more natural, therefore, that the idea of human sacrifice, once introduced, should take a strong and immediate hold? Horrible and bloodthirsty as it was, we have only to think of the horrors of the Inquisition, of massacres and persecutions done in the name of Christ, to understand how religion could far depart from peaceful ideals.

The Mexican Indian was doubtless affected by climatic conditions. The tribes encountered by early settlers in other parts of North America were savage or semi-savage, with no fixed abodes, living by the chase and rarely tilling the ground. The Mexican Indians, however, had, at a very early date, tilled the soil, and were accustomed to living in permanent homes, fre-

quently with great numbers grouped together in large cities. Their religion, their life and their government all tended toward permanency, and they had reached a stage of civilization far beyond anything to be found further North. The movements of the various tribes and the rise and decline of one race after another, were not unlike the history of old Asiatic peoples. Whether or not they originally came from a different stock is uncertain, but in any event their civilization was doubtless greatly aided by more moderate climate than that enjoyed by their neighbors farther North. As crops could be raised the year around, hunting, as a means of existence, became of secondary importance. The fact that each race had a war god, combined with the practice of human sacrifice, has led many historians to take for granted that sanguinary characteristics predominated. This does not appear to be warranted by the history of the people. The very fact that five or six tribes lived in close proximity to each other around the shores of Lake Texcoco is reasonably good proof that the general tendency was peaceful. The Toltecs, Chichimecs and Aztecs in turn obtained a preponderance in the Mexico Valley through the growth of their respective tribes, through the establishment of cities, through intermarriage with adjoining tribes and through alliances. From time to time there were tribal wars, but these appear to have been incidental and due largely to the crowding together of many rival tribes in a comparatively small area of fertile land, rather than to any natural tendency toward warfare.

It is important to keep in mind the general character of the civilization to understand the amazing events which transpired with the advent of the Spaniards. Scattered throughout Mexico were scores of tribes — philologists have traced thirty languages and one hun-

dred and fifty dialects — and in the Mexico Valley, whose three dominating tribes were in an alliance, there were at least a dozen distinct tribes. The country was fairly populous, and the Valley country doubtless had one and a half million inhabitants. The dominating tribes, through their conquests and especially through their toll for human sacrifices, had embittered their neighbors. The early Spaniards referred always to the empire of the Montezumas. They perhaps did not fully understand the political conditions of the country, and were, moreover, inclined to exaggerate in general and in detail. There was not, in a political sense, an empire, but rather a large group of tribes of which three, through industry and agriculture, had become more powerful than the others, and which were, through alliance, able to impose tribute on their neighbors. The dominating tribes had armies, as had the others, but the so-called armies depended largely on great numbers rather than on any military organization or efficiency.

CHAPTER III

THE MONTEZUMAS

Popular imagination pictures the Montezumas as a long line of powerful emperors. As a matter of fact, however, the Aztec did not achieve a dominating influence in the Valley until the early part of the Fifteenth Century. On the death of Itzcoatl, the king who had, as a final touch to their domination carried through the formation of an alliance with other powerful nations, the wise men and nobles elected, as his successor, Motecuhzoma Ylhuicamina. The name, Motecuhzoma, corrupted by the Spaniards to Montezuma, means, in the Aztec tongue, "The man of fury and respectability," while Ylhuicamina means, "archer of heaven." This young man came from a noble family, had distinguished himself in military operations and had headed the mission charged with negotiations for an alliance with the Texcoco kingdom. On coming to the throne he deferred his coronation to conduct a campaign against the Chalco tribe, neighbors who had for years been hostile to the Aztecs. The campaign was a brilliant success, and Motecuhzoma returned to the capital with several thousand prisoners who were duly sacrificed, in the midst of great festivals, to celebrate the ceremony of coronation. Immediately following the coronation the Chalcos rebelled but they were again defeated and five hundred of them, taken prisoners, were sacrificed by being thrown into a sacred fire, from which they were drawn out before life was extinct, that their hearts might be cut out and

offered to the gods. The same tribe gave trouble at intervals during several years, but were finally subjugated, their capital, Amecamecan, being destroyed. In 1449 heavy rains caused a great flood, which so inundated the Aztecs' capital that for weeks the only means of getting around was in boats. To guard against a recurrence of this disaster Motecuhzoma built a great dike, fifty to seventy-five feet wide and over six miles long, the work being pushed so actively that it was finished before the following rainy season. Heavy snows and frosts in 1450–1454 destroyed the crops and caused a serious famine which was only partially relieved by rations given to the people from the royal storehouses. To appease the gods more victims were needed for sacrifice, and campaigns were waged in the far south. In 1455 there were good crops, and this was attributed to the great number of prisoners sacrificed. Consequently to obtain still more captives the scope of military operations was greatly enlarged and campaigns conducted in remote regions South, East and West. By 1460 the Aztec power covered the greater part of what now constitutes Mexico. In the meanwhile, Motecuhzoma did much to embellish the city, building temples and public edifices and constructing an aqueduct to bring a supply of pure water from Chapultepec. Motecuhzoma Ylhuicamina died in 1469. His brother, Ylacaclel, declining the throne, the nobles elected as ruler Axaycatl, son of Motecuhzoma's daughter. The new ruler, following the practice of his grandfather, postponed his coronation until he had taken the city of Tecuantepec and conquered the southern gulf coast to obtain a large supply of victims for the coronation ceremonies. The reign of Tizoc Chalchuihlatonac, 1481–1486, was characterized by nothing of consequence. Ahuizotl, who followed, extended and rebuilt the temple

of Huitzilopochtli, the god of war, and celebrated its dedication with the most gigantic orgy of human sacrifice the world had probably ever seen. For two years, while the construction work on the temple was being pushed, all prisoners, instead of being immediately sacrificed, were saved, and a great throng of them, the spoils of campaigns in distant regions, was ready for the dedication ceremony. The chiefs of all subject tribes were all asked to the festival, at which they were royally treated. Before dawn, on the day of dedication, a vast multitude, including thousands of guests from every part of the dominions, was gathered in front of the temple. With the first streaks of light on the horizon Ahuizotl gave the signal to begin the slaughter, he himself cutting out the heart of the first victim and offering it, with much ceremony, to the high priests, who, in turn, placed it before the idol of the war god. There followed, then, a great procession of victims, marching and being sacrificed in fours, the horrible slaughter continuing until darkness set in. By night the royalty and priesthood were soaked in blood, but the number of prisoners was so great that the ceremony had to be prolonged for four days before the last of the line was reached.

Ahuizotl died in 1502, and was succeeded by Motecuhzoma Xocoyotzin (Motecuhzoma II), a grandson of Motecuhzoma I. The new monarch was thirty-four years of age, had distinguished himself as a soldier and had later taken priestly orders.

There is nothing in American history to compare, in point of picturesque features, with this period, in which the power of Mexico reached the zenith. Mexico City, located in a great valley surrounded by high mountains, is always beautiful, and the snow-capped volcanoes add the charm of variety to the scene. In the early days,

however, there was an added charm in that the city was partly an island, partly a stretch of shore on Lake Texcoco. This lake was probably ten or twelve miles across, but has now shrunk to a small shallow body of water with an area of only five or six square miles. Much of the land was "made" by digging canals, and in a large part of the city communication was by these waterways, which swarmed with all sorts and sizes of canoes and boats. Flowers, fruits and vegetables were raised in great quantities in the small squares of land reclaimed by a canal system of great extent, and this section became known as the "floating gardens" of Mexico, which the early Spaniards called the Venice of America. The city, which is said to have had some 300,000 inhabitants, was well laid out, with wide streets and a great market place. In the market place the various classes of business were grouped, one section being given to grains, another to vegetables, another to pottery, another to gold and silver ornaments and precious stones, and so on. On regular market days sixty thousand people came to market, while on other days there was an attendance of twenty-five thousand. The section of the market devoted to featherwork pictures, in the making of which the Mexicans had been expert for centuries, always attracted many of the well-to-do classes. The shops displayed a great variety of cloths, the fineness of which indicated the social grade of the wearer. Society was divided into various castes or grades, from the most humble to the nobility, and rigid rules were laid down to govern the clothes and conduct of each class. There were, in the city, three hundred temples or smaller places of worship, presided over by a great number of priests. The priestly class was usually robed in white when in the temple, but had different costumes for various occasions — combinations of

black figures on white, purple on white, or white on black, to suit each particular ceremony. The picture writings covering the temple walls gave an added touch of the picturesque to the solemn incantations and mystical dances which formed a great part of the ceremonial worship.

The wealth of the tributary regions, from the temperate climate of the plateau to the tropical coast country, poured into the city. Taxes and tributes were paid in the products of each region, and grain, fruit, feathers, gold, silver, precious stones, fine woods, furs and a thousand other articles came in an endless chain. The maintenance of the royal household, with its nobility and hundreds of retainers, called for vast quantities of the products of the country. One picturesque item in the list of royal household needs was 24,000 bundles of colored feathers, which doubtless was largely contributed by the tropical sections of the country. An army of ten thousand had to be provisioned, and from the state income provision had to be made for the thousands of priests. The nobility, dressed in rich clothes and with ankles and arms covered with gold and silver bands, lived in a sort of barbaric splendor.

Swift messengers, working in relays, brought fresh fish from the coast and game from the north for the royal table. Couriers kept the palace informed of everything happening in the most remote parts of the country. Justice was administered by tribal chiefs and sub-chiefs, and from all accounts the amount of crime was small. One of the most curious facts regarding the race is that, up to the time of the conquest, the people knew nothing of the use of iron, and all the stone carving, woodcarving and other such work was done with tools or implements made of stone or copper. That the people had considerable mechanical ability is shown by the

construction of the great pyramid at Teotihuacan, as high as a modern sky-scraper, and also by the fact that huge blocks of stone used in temple construction, some of them weighing many tons, were often moved great distances from quarries.

The whole picture is vivid: a curious mixture of barbaric splendor and civilization, of primitive peoples and urban life. Their civilization may be compared to that of the early Egyptians, but with the notable difference that a large class of nobility, following early tribal customs, had a voice in the selection of their ruler. Here, on the Mexican plateau, separated by thousands of miles of sea from any other civilization, a people living in a stone and copper age emerged from purely tribal conditions, worked out a form of alphabet or expression through pictures, developed a government, carried on much internal commerce, built cities, and established a sort of an empire; and did all this, or the greater part, two thousand years after a similar development had come and gone in Egypt.

What curious thoughts of evolution arise in one's mind! The advance in thought and civilization increases its pace as each stage is passed. Who knows but that the development of the Mexican race began in the same place and at the same remote time as that of the Hindoos or Egyptians? Had it been retarded by a fight with nature in a hostile climate? Centuries, perhaps ages, had passed in making the first steps from barbarism and savagery to that of the first stage of civilization; then four or five centuries of rapid progress, and a definite social and political scheme was developed; and finally, conquest by people of another civilization, a conquest so swift and a subjugation so complete that every sign and vestige of the civilization already developed was lost. It was not a case of a civilization influ-

enced or accelerated by another race. The new civilization was not grafted on the old. The old was simply annihilated, so entirely blotted out that it might have never existed so far as its influence on the people was concerned. And the pity is that this happened just as the old civilization gave promise of rapid development. Prescott says, "In this state of things it was beneficently ordered by Providence that the land should be delivered over to another race, who would rescue it from the brutish superstitions that daily extended wider and wider with the growth of empire. It is true, the conquerors brought along with them the Inquisition, but they also brought with them Christianity, whose benign radiance would still survive when the fierce flames of fanaticism should be extinguished: dispelling those dark forms of horror which had so long brooded over the fair regions of Anahuac."

Prescott, at the time he wrote (about 1855), had a world wide reputation, but, aside from being a chronological and highly interesting record of events, his work is of small value in determining the influence of the conquest on the Mexican people. His work is more or less a mechanical history, wonderfully told, but it shows his lack of knowledge of conditions. Doubtless influenced by the Spanish historians whose works he studied with such care, he fell into the error of assuming that the mere substitution of Christianity for a religion which sanctioned human sacrifice was sufficient recompense for the destruction of a nation and a civilization already well advanced. It may be argued that but for the spirit of adventure of the Spanish, the new world might not have been discovered for many years, and that world-progress would have been arrested by that much. The casual critic will ask what North America would have been if it had remained in the hands of the Indians.

But that is beside the point. One might equally ask, what would the country be if all of North America had remained in the hands of the Spaniards? Two-thirds of the North American continent was inhabited by savages, and their disappearance, under the progress of an Anglo-Saxon civilization, can in no way be compared to the course of events in Mexico. In the latter case there were four or five million people, half of them under a common rule, who had already made a start in civilization. That that civilization was an inferior one in many respects is true, but, in a large measure, it answered their wants. It was at least better than nothing, and gave promise of amounting to something more. If, in the change, the people had had a chance to adopt the new civilization, become part of it and advance with it, there would be no cause for regret. But, for the people at large, the forms of the church were given in place of civilization. They became a subject race, a race of slaves who had no place in the general scheme of things. In place of advancing, they were reduced to slavery and, in that, retarded. Mexico, during three hundred years, was a country in which the Mexican had no voice, a colony so thoroughly Spanish that, but for occasional protests from Dominican priests as to the treatment of the natives, no one would have known that the Mexican existed. It was not that all the colonial rulers were cruel, only that the Mexican was considered an inferior being to be used as a beast of burden for the benefit of his superiors.

Due allowance must be made for the Spanish viewpoint. The Spaniards of that day were adventurers and zealots. They came of a people having a different civilization and a different religion, which, alone, were sufficient to place them beyond the range of consideration. The very fact that the people fell an easy victim to

Spanish arms was taken as a proof of inferiority. So far as the people were concerned, the Spanish considered that they had done their full duty in bringing them into the Church, even if this was done at the point of the sword. The glorious conversion having been accomplished, there was no further obligation. By right of conquest, strengthened by rights given by the Church, the conquerors owned the country and everything in it, and the natives were clearly there to be useful to the Spanish crown and its representatives. This reasoning prevailed for centuries, and, among the people of pure Spanish blood in Mexico, prevails to-day. The Mexican Indian is regarded by such people as a hopeless proposition, incapable of any development and useless except as a mechanical unit. Centuries of life as a slave stunted his mental and moral growth. The Spanish conquest, wonderful as it was in opening up a new empire of fabulous wealth, did nothing for him. Its effect was to set him back a century or more and then keep him in that established place. It is worth emphasizing, in this connection, that, at the time of the conquest, Mexican civilization was, relatively speaking, a thousand years behind that of Spain or Rome. It must not, however, be taken for granted that the Mexican mind was correspondingly backward. The Mexicans, due to climatic conditions in the north, had remained in a savage state for many centuries, while people in more favored climates, or, influenced by surroundings, had advanced. The Mexican mind was just forming, and was showing potential power, when its development was brought to a sudden halt by the overwhelming power of a new civilization.

The astounding rapidity with which the blow fell forms one of the most remarkable records in the history of the world.

CHAPTER IV

THE SPANISH CONQUEST

At the beginning of the sixteenth century Spain was just entering on the brilliant career which was soon to place her in a dominant position in Europe. The union of Castile and Aragon by the marriage of Ferdinand and Isabella in 1469 had soon been followed by a campaign against the Moors, whose last stronghold, Granada, fell in 1492. The Turkish occupation of the Levant had forced the seeking of new trade routes and markets, and the Spanish and Portuguese had taken the lead in maritime voyages of discovery. The discovery of America by Christopher Columbus, opening up visions of the riches of the East, had given the greatest possible stimulus to further adventures and voyages, even if it did not, at the moment, give much return in wealth and treasure. In the West Indies the Spanish had found a weak and effeminate lot of savages and little treasure, but they had established some colonies and were slowly preparing to develop the agricultural resources by using native labor.

The age was one of adventure and chivalry. The Spanish campaigns in Europe had developed hundreds of ambitious and restless spirits who flocked to the standard of any one heading an expedition. The discovery of a new world, or, as was supposed, of a new route to an old world, carried with it so much glamour that the adventurous, of high or low degree, lost no time in putting his fortunes to test. In an incredibly short

time there were thousands of Spaniards scattered throughout the West India Islands. Each was given a tract of land, frequently a large estate, and, under a system called repartimientos, was allotted a certain number of natives who became, for all effects, his slaves. The cultivation of the soil, although done by slaves, proved, however, tedious. There was no adventure, no excitement, no novelty in it. Consequently every one was constantly trying to find something new. By 1518 the Atlantic coast, from Labrador south, had been examined practically through the length of both North and South America. Cuba had been discovered and a settlement established there under Don Diego Velasquez, governor of the island. The Cubans had offered but weak resistance. One native chief, Hatuey, having fled from Hispaniola to escape the oppression of the Conquerors, put up a strong fight, for which, when captured, he was burned alive. At the stake on his being urged to embrace Christianity so that his soul might go to heaven, he inquired if the souls of white men were there, and, on receiving an affirmative answer, said he had no desire to again go to any place where he would find Christians. With this single exception, the Spaniards had no difficulty with the natives, and there was little bloodshed accompanying the conquest, or occupation, of Cuba, this being due, in large part, to the efforts of Las Casas, a Spanish priest who accompanied the expedition. Almost as soon as a permanent settlement had been made in Cuba, various expeditions were fitted out to cruise in the gulf and learn something of other islands. This expedition found little of interest, and the discovery which had the greatest importance was made accidentally. Hernandez de Cordova, an hidalgo of Cuba, sailed with three ships for the Bahamas in quest of slaves, but, meeting with heavy

gales, was driven far off his course, and landed on an unknown coast. Here he found houses built of stone, and people wearing well-woven cotton fabrics. All evidences pointed to a higher degree of civilization than any he had seen on the islands, and he determined to explore the country. The natives, however, were extremely hostile, and Cordova was unable to penetrate the interior. He followed the coast for several days, making several landings and having numerous skirmishes with the natives. After losing nearly half of his hundred men, he determined to return to Cuba and fit out a larger expedition. Shortly after arriving in Cuba he died from wounds he had received in one of the fights. The story of his discovery spread all through the settlement and caused great excitement, especially as he had brought back with him many curiously wrought gold ornaments. Cordova had landed on the northeast corner of Yucatan, and had examined the coast as far west as Campeche. This was the first landing of the Spaniards on the mainland of a country which was soon to become one of the nation's greatest possessions.

Velasquez, the governor of Cuba, fitted out an expedition which sailed on May 1, 1518, to follow up the discovery made by Cordova. This cruise, under command of Juan de Grijalva, made various landings, and at one point a friendly interview was had with a cacique who ruled over the district. As there was no one to interpret, such communication as there was had to be made by signs, but the Spaniards were able to understand that the cacique represented some one more powerful who lived in the west. Presents were exchanged, the Spaniards receiving, in return for some trinkets, beautiful gold ornaments and jewels. The expedition examined the coast as far west as the Isla de Sacrificios (Island of Sacrifices), near what is now the city of Vera Cruz.

Grijalva was the first white man to come in touch with the Aztecs. The rich treasure he sent back to Cuba determined Velasquez to fit out a large expedition to follow up the work already done by founding a permanent colony. Hernando Cortes was selected to command the expedition.

The reader who wishes for excitement and romance should consult Prescott's "Conquest of Mexico." It is only possible here to briefly sketch the main story — a story full of religious zeal, military daring, personal courage and hardship rarely equaled. Cortes made a landing in Yucatan, battled successfully with the natives and then moved on to establish, on April 21, 1519, a permanent settlement at the site of the present city of Vera Cruz. Tales of a rich country beyond set his mind on penetrating to the interior, either by sheer force or by negotiations with the country's ruler. Montezuma had received, by couriers, reports of the Spanish victory in Yucatan, and was filled with dread at the tales of men who fought with thunder and lightning. He believed Cortes to be the god Quetzalcoatl, returning to his people, and had grave forebodings as to what the return meant. He determined to try to keep the newcomers on the coast, and opened friendly negotiations by sending representatives, bearing rich gifts of gold, to Cortes, who was welcomed to the country but advised to make no effort to visit the interior. The golden gifts only made Cortes more determined than ever to go through with his enterprise, and he doubtless formed, at this time, a definite idea of conquest. He did not want, moreover, to have the Governor of Cuba snatch the wealth and glory of the achievement, so, to give regularity to his proceedings, he had a duly constituted government installed in the name of the emperor, and this government then gave him supreme powers. Then,

having sent one of his smaller ships to Spain to claim his rights of discovery, he took the major portion of his small band and started inland. The Cempoallans, a tribe placed under tribute by Montezuma, threw their lot in with the Spaniards, who prepared to march on the Aztec capital. On hearing murmurs of discontent among his men, Cortes scuttled his ships, making any retreat impossible — an act of daring, in the face of unknown dangers in a strange and hostile land, never equaled in history. The Spaniards then attacked the Tlascallans, an independent tribe on the edge of the Mexican plateau, and, although outnumbered twenty to one, their advantage of firearms and cavalry gave them victory, and the Tlascallans became their allies. The Chollullans, allies of Montezuma, were then defeated. Montezuma, hearing of these victories, made no further effort to stop the advance on his capital, which was entered by the Spaniards on November 8, 1519. Cortes was received by Montezuma as a friendly ambassador from a foreign potentate, and was given a vast amount of treasure.

The Aztec capital was on an island, approached only by causeways, and the position of the Spanish force was one of great danger. Cortes determined on a bold move, and seized the person of Montezuma, who, while treated with deference due his rank, was held captive in the Spanish quarters. Cortes then heard that a Spanish force, sent by the governor of Cuba to overthrow him, was marching up from the coast. He accordingly left the capital in charge of one of his generals, Alvarado, and took two-thirds of his men with him to intercept the Spanish force, which he surprised and defeated. His army, reinforced by recruits from the defeated forces, returned to the capital only to find that Alvarado and his men were being besieged, following an uprising due

to Alvarado's excesses. The forces were united, but, seeing the hopelessness of the situation, after several days of fighting, Cortes decided on a sally. Under cover of night he fought his way to the mainland, and, although he lost half his army and all of his vast treasure, he managed to reach his base at Tlascala. After several months spent in preparation, which included the building of a fleet to operate against the capital, a fresh start was made. The Spaniards had the support of several thousand Tlascallan warriors, and laid siege to Mexico City on May 20, 1521. Montezuma had died in captivity, but Cuahtemoctzin, his successor, had prepared for a bitter resistance. After nearly three months of fighting, the Spaniards, aided by their fleet, gained a foothold in the city, and the Tlascallans let loose their fury on the Aztecs, a wholesale slaughter following for two days. Cuahtemoctzin was captured while attempting to escape to the mainland, and the city, the greatest stronghold of the Indian race in America, capitulated August 13, 1521.

Less than thirty months had elapsed since Cortes, with his adventurous band, had set foot on Mexican soil. His fantastic dream of conquest was now realized, and the foundation laid for a vast Spanish dominion which was soon to extend from Oregon to the Straits of Magellan.

"Whatever may be thought of the conquest in a moral view," says Prescott, "regarded as a military achievement it must fill us with astonishment. That a handful of adventurers, indifferently armed and equipped, should have landed on the shores of a powerful empire inhabited by a fierce and warlike race, and, in defiance of the reiterated prohibitions of its sovereign, should have forced their way into the interior; — that they should have done this without knowledge of the language

or of the land, without chart or compass to guide them, without any idea of the difficulties they were to encounter, totally uncertain whether the next step might bring them on a hostile nation or on a desert, feeling their way along in the dark, as it were; — though nearly overwhelmed in their first encounter with the inhabitants, that they should have still pressed on to the capital of the empire, and, having reached it, thrown themselves unhesitatingly into the midst of their enemies; — that, so far from being daunted by the extraordinary spectacle there exhibited of power and civilization, they should have been the more confirmed in their original design; — that they should have seized the monarch, have executed his ministers before the eyes of his subjects, and, when driven forth with ruin from the gates, have gathered their scattered wreck together, and, after a system of operations pursued with consummate policy and daring, have succeeded in overturning the capital and establishing their sway over the country; — that all this should have been effected by a mere handful of indigent adventurers, is a fact little short of the miraculous,— too startling for the probabilities demanded by fiction, and without a parallel in the pages of history."

Prescott somewhat overstates the matter. Mexico was not a powerful empire, and the Aztec rule, while covering a great area and dominating many peoples, was strong only in the sense that through superior armies it was able to impose tribute on conquered tribes. The extortions of the dominating people and the bloody sacrifice of captives had spread so much discord that it only required some strong unit to bring together the various elements hostile to the government. Prescott, contradicting himself, states the case better when he says that "had the Aztec monarchy been united, it might have bid defiance to the invaders." Nevertheless, while con-

ditions were, in many respects, favorable for the Spaniards, Cortes' achievement will always stand out as one of the most daring exploits in history. It was all the more remarkable in that he could not call in aid from his own people, as the irregularity of his proceedings made him dependent on his own resources. This very fact doubtless formed the bases of his success. Failure meant disgrace, ruin and probable death. He could, therefore, afford to risk death where there was a chance of success, and he could take chances which another, clothed with proper authority, would scarce have taken.

CHAPTER V

SPANISH MEXICO

It would be tedious to enter into much detail of the Spanish rule in Mexico, but it is worth while to review briefly the history of the country after the Conquest. This period is especially interesting because of the fact that the Spanish civilization introduced far ante-dated any Anglo-Saxon colonization. Immediately following the conquest Cortes began the rebuilding of Mexico City on plans based on Spanish models. Busy as were the Spaniards with conquering and settling the country, they gave time to the artistic embellishment of their new capital, and the work done was so thoroughly harmonious and comprehensive that it has been possible, during four centuries, to follow the original plan of development, and to produce, as a result, a city which, in symmetry and beauty, has few rivals on the American continent. There was none of the haphazard settlement which characterized the growth of the early centers of population in English speaking America, or which, in spite of three hundred years of experience, still applies to many of our municipalities. Under the Spanish scheme the ownership of a tract of land does not carry with it the right to open streets or to erect buildings according to the whims of the owner. Everything done must be in accordance with the general plan laid down by the municipality. To be sure, the average American city has regulations as to street openings, but these, as a rule, are so loosely drawn or so poorly enforced as to be negligible

in the general results obtained. Thus, while a city may have a comprehensive scheme within its own limits, suburbs, which are under separate municipal control but which may soon become a part of the city, are not bound by any general scheme, but may lay out such streets as suit their immediate needs. The result is that, with the exception of Washington, none of the larger cities have been built up on any general plan, and, in spite of changes made at great expense, nearly all suffer from great irregularities. Under Spanish practice, the large center, usually the seat of state of provincial government, exercises strong influence over all adjoining territory, and can lay out a street system, with parks and public squares, with the security that such a plan will be followed for an indefinite time, and that, with the growth of the city, it will be, from time to time, farther extended.

This general idea was followed in Mexico. A great public square, on which were erected the principal government buildings and a huge cathedral, formed the center of the city, which was laid out with regular streets crossing each other at right angles. From the square three wide streets — somewhat narrow according to modern standards but very wide for the sixteenth century — run parallel in a westerly direction for half a mile or more. Then comes the alameda, a rectangular public park occupying a space equal to about six city squares. The streets then extend on beyond this park, and at intervals there are circular or rectangular parkways. The general arrangement, made four centuries ago, made better provision for breathing spaces than prevails in the average American city built during the last seventy-five years.

The one error made was in the selection of the site, the new city being laid out on the site of the old. Cortes

doubtless decided on this location because of its great advantages for defense, protected, as it was, by water on all sides, and being reached only by causeways. The ground, however, was marshy, and the greater part of the land had been reclaimed. The site, therefore, was a poor one so far as furnishing a good foundation for buildings was concerned, and many of the early Spanish edifices are out of plumb, two or three of them so badly that it seems scarcely possible they can stand at all. One of the leading churches in the Calle Francisco Madero looks as if it would topple over at any moment, and its belfry suggests the tower of Pisa.

Another great disadvantage of the site, especially when viewed in the light of modern hygiene, was the difficulty of draining it. The city proper, at the time of the conquest, was several feet below the level of some of the surrounding lakes, including Lake Texcoco, and inundations were only partially prevented by the great dike built by the first Montezuma. It was, consequently, a serious problem to keep the city dry in the rainy season, to say nothing of the fact that the accumulation of filth and surface drainage was a constant breeder of disease. For three centuries the Spaniards struggled with this question, building more dikes and extending great ditches to remote points in an effort to keep the city dry and properly drained. In the latter part of the last century a tunnel was driven, at great cost, through the range of hills which surround the valley, and a great canal, in places seventy-five feet deep, was dug from the city to this tunnel to take care of drainage and to carry off the surplus waters in the rainy season. Even with this undertaking completed, at times great pumps have to be operated to keep the lowest section of the city dry, so it is easy to imagine the constant difficulty the early Spaniards had to face. Alberto J. Pani, in his in-

teresting work on "Hygiene in Mexico," says that beyond question the selection of a poor site for the city has been responsible, to a considerable degree, for the poor physical development and lack of powers of resistance of the poorer inhabitants of the city. Lack of proper sanitation has furnished the groundwork for epidemics and constant disease, and ill-health, extending through generations, has had a decided effect on the physical constitution of the people.

The choice of this island site had, in an unlooked for way, an important compensation for its disadvantages. This portion of Mexico, or, more properly, the portion somewhat west of the city, is in a zone in which the greatest faults have occurred in the earth's surface, and is subject to severe earthquakes. The city, located on what was an island marsh, is really built on a big and probably only partially dried puddle, and the character of the formation is undoubtedly a protection against the violence of the shocks. Once in a while the resident of Mexico has the unpleasant experience of waking up to find the furniture moving about the room, and, on rushing to the window, to see the street lamps swaying back and forth as if swung by a powerful gale. On reaching the street the dim light of the dawn shows the asphalt heaving in long waves, while, with each wave, houses seem to swing out over the sidewalks. The sensation when Mother Earth herself gets in motion is uncanny, and such earthquakes as are experienced in Mexico City would be far more terrifying and destructive but for the measure of protection afforded by the character of the soil. Even the great cathedral, the largest edifice of its kind in Latin America, begun in 1573 and completed a century later, has suffered only cracks from the numerous shocks it has had in three centuries of existence.

Once established in their new capital, the Spaniards took advantage of the situation to dominate all the surrounding country. From remote tribes came offers of submission, and Cortes followed these up by sending military expeditions to take possession of the territory in the name of the Spanish crown. Expeditions were sent to explore the country westward as far as the Pacific and as far north as the upper end of the Gulf of California. People from Spain, attracted by the romantic stories of the conquest, soon began to pour into the new country, and settlements were made at various points; along the Pacific and Gulf coasts and as far south as Honduras and Guatemala. By the end of the sixteenth century the whole of the country had been explored, and a start had been made on explorations which were soon to place the whole west coast country, as far north as Oregon, under the royal banner. Handsome public buildings, in use to this day, were erected in the capital. Many people of distinguished families in Spain came over, obtained large grants of land and built themselves palatial residences in the capital, which, half a century before the landing of the Pilgrims at Plymouth, could boast of much of the brilliance of European capital life. In 1536 Antonio de Mendoza, Count of Tendilla, was named Viceroy for the new country, and his work as a colonizer and organizer formed the basis of a permanent government. A public mint was established in 1536, and the new Viceroy in the year following founded the College of Santa Cruz de Tlatelolco, the first institution of learning in the new world. The University of Mexico was founded in 1573, antedating Harvard by sixty-three years. Not only was the whole of the country explored before the end of the sixteenth century, but practically all of it was thoroughly organized under Spanish rule. The Indians,

awed into submission by the conquest, offered little or no resistance to the settlement of their country. There were, from time to time, local insurrections, generally resulting from the harsh treatment of labor at the mines, but these were always quickly suppressed, and none of them ever assumed the proportions of a national uprising. In this and in the two following centuries various decrees and royal acts prohibited the enslaving of Indians, and some viceroys attempted to enforce the regulations, but local practice was too well founded and local avarice too great to permit compliance. The general practice was that a grant of land carried with it all the people already settled in it, and these people, while not technically slaves, could be obliged to work the estate for the owner's benefit.

The rapid spread of Spanish colonization and rule was doubtless in large part due to the desire to find gold and silver. What extremes of cruelty were used to compel the natives to produce or find these precious metals may be imagined from the fact that, with a few exceptions, every Mexican mining camp of any consequence to-day appears in a list of mines published in 1810. To be sure, some new properties have been opened in old camps, and some properties formerly of little value, have, under modern methods, become large producers. Speaking generally, however, the Spaniards made such a thorough search of the country that they located the great silver and gold camps within a few years after the conquest, and followed this up by locating nine-tenths or more of the properties known to-day. In 1557 Don Bartolome de Medina, in Pachuca, invented a method for the extraction of silver from ore by the use of mercury, and this gave a great stimulus to the mining industry. It is interesting to note that the Pachuca camp is, to-day, one of the greatest silver pro-

ducing districts in the world, and its annual production, due to the use of the cyanide process and the utilization of hydro-electric power from Necaxa, is equal to the production of a decade during Spanish days.

The importance of the mining industry may be judged by the fact that during the Spanish colonial period the recorded production of silver was over two billions of pesos, the peso having a value, at that time, of about one dollar in American money. There were produced, in the same time, sixty-eight million pesos of gold. As these figures are from records turned in for purposes of taxation, it is probable that the actual production was considerably in excess of the amount reported. The figures must be considered relatively. Taking into consideration the total stock of silver in the world and its relative purchasing power, the peso, according to various estimates, had a relative value of from six to ten dollars. As judged by to-day's standards, therefore, the average annual production of precious metals in Mexico during the colonial period was worth an amount equivalent to fifty or seventy-five million dollars, and, due to the richness of the ores first treated, doubtless represented a greater amount during the first century. Statistics are misleading, and, by way of comparison, a better idea of the value of the stream of silver and gold which now began to pour into Spain can be gained by the simple statement that the amount of precious metals produced by Mexico annually was double the total amount of royal treasure possessed by any monarch in Europe. Spanish America, from Oregon to the Straits of Magellan, produced, during three centuries of colonial rule, four and a half billion pesos in silver, Mexico contributing nearly forty per cent. of the total. In the light of the tremendous production under modern scientific mining methods the annual production in

Mexico in Spanish days might seem small, but, considering that the methods of the day were very crude, the output was quite remarkable. Only rich ore could be treated, and the whole process was one of hand labor. As late as twenty-five years ago, with the steam engine to supply power, the cost of silver production at the Pachuca camp was over twelve dollars per ton of ore, and ore with a value of less than fifteen dollars per ton was of too low a grade to treat. There is little data on costs in the Spanish days, but it is certain that only ores from the richest veins could be utilized. To-day the production cost at the Pachuca camp is three dollars per ton, a fourth of what it was only a few years ago. Obviously any comparison with former production is out of the question.

The treatment of the Indians in mining operations brought forth protests, from time to time, from the early Dominican and Franciscan monks. With fourteen and fifteen hours constituting a day's work, with no provisions for health, and with much cruelty in the handling of the work, the labor conditions were as bad as they could be. Las Casas, the priest-historian, writing of Cortes' first fortune, accumulated in Cuba, says, pathetically, "God, who alone knows at what cost of Indian lives it was obtained, will take account of it." It was not that Cortes was by nature cruel, for his recommendations to the government contain many humane ideas. The whole system was based on forced labor, and was designed to drive the labor to the utmost point of endurance. One of Cortes' early acts after the conquest was to ask the crown to send out a number of priests so that the conversion of the natives might be actively pushed. A large number of monks were sent out, and they, scattering over the country, everywhere made bitter denunciation of the inhuman treatment of

the natives. The protests of these pioneer missionaries, coupled with the heroic efforts of Las Casas, mitigated, in some degree, the sufferings of the Indians, and resulted, at different periods, in the adoption of humane regulations covering the conditions of labor. It was, however, much easier to get proper regulations adopted than to have them enforced in the colony. The land owners and mine owners had large selfish interests at stake, and many of them were very powerful. They were far removed from contact with the home government, and naturally exercised much influence over the colonial officials. Many of the viceroys sent out were intent on enriching themselves, and, instead of attempting to stop abuses, were only too glad to take advantage of them for their own purposes. Moreover, most of the great estates or mines were not managed by their owners directly but intrusted to administradores, or managers, who were usually men of a lower degree of education and who had little thought of anything but "getting results," regardless of the means employed. The owners themselves, living in comfort in the capital, were frequently entirely out of touch with the detail of the work on their properties, and, in general, indifferent as to the native labor so long as their income came in regularly. They were not necessarily heartless, but they simply regarded the Indian as an inferior being who was useful as a mechanical unit. The Indians, stunned by the sweeping success of the Spaniards in the conquest, submitted to slavery with little or no resistance, and remained under the yoke for three hundred years.

The propaganda for the conversion of the Indians was highly successful, and in an incredibly short time the whole country accepted Christianity. The early missionaries were not only zealous. They were self-sacrificing, and many of them men of fine feelings. Their

constant effort to help improve the condition of the natives doubtless greatly aided their propaganda. In the latter part of the sixteenth century the missionaries translated various religious works into the leading native dialects, and opened schools at many missions to help in spreading Christian doctrines.

The history of Mexico during the Spanish rule is strikingly and exclusively the history of the Spaniards in Mexico. With the exception of some efforts by the missionaries to help the natives, or at least to reduce the severity of their conditions of labor, little was done for the Indians. The natives of the country had no participation in its life except as units of labor. It was, perhaps, natural that the Indian should have little part in the general scheme of life, but, allowing for all racial differences, it is really amazing that a few hundred Spaniards, having conquered a country with five millions of people in it, should, with a few thousands who came over later, so thoroughly and absolutely dominate it that the Indian, except as a means to an end, disappeared in the country's history. The very absence in the Spanish records of Indian names, except those of towns, is an indication of how completely the submergence was. The government was one of, by and for the Spaniards. It must be said, however, in justice to the invaders, that they respected, in many cases, the tribal rights to community lands. The Mexican tribes had no private ownership of land, but each tribe or community had an allotment of land which was owned in common, and worked in common or in rotation by the individual members of the tribe. The Spanish, in many of their grants, specifically exempted such community lands, and a good many Mexican villages to this day own common land which has been so held from the days of the Aztecs.

An interesting event during the Spanish rule was the sending from Mexico of an expedition, in 1611, to Japan, with the object of charting the coast with a view toward establishing trade. The expedition was well received in Japan, but, on learning that the Spanish wished to chart the coasts, the Japanese became apprehensive lest the ultimate object might be to prepare for a conquest, and the commissioners were ordered to leave. The expedition came to nothing, and the attempt is of interest only as the first effort of people of European blood to get in touch with the affairs of the Japanese empire.

CHAPTER VI

INDEPENDENCE

Spain, in the Seventeenth Century, rose to the height of her power and glory. The crowns of Castile and Aragon, united by the marriage of Ferdinand and Isabella, fell by inheritance to Charles the Fifth, who, as Emperor of the Holy German Empire and Archduke of Austria, ruled over a vast empire. Spanish armies had swept over France and Italy. The Spanish Americas, extending over the greater part of the length of two continents, were pouring into the mother country a steady stream of treasure. The Philippines formed the commercial base for a great Oriental trade. Under Philip the Second, Charles' successor, this great empire was consolidated, and became, far more than it had been under Charles, a Spanish empire, with Madrid as its capital. The Spanish flag floated in every sea. Spain, in a hundred years, had leaped from an insignificant position to that of the great world power. But the empire was to fall faster than it had risen. In 1588 an event, the consequences of which were not then realized, changed world history. Through the defeat by the English of Philip's "Invincible Armada" Spain lost control of the sea, and from then on her position became a secondary one. She kept her colonies and retained part of her commerce, but her domination in world affairs was gone. The Spanish rulers, occupied with troubles at home, paid little attention to the colonies, whose affairs were intrusted to the Council of the Indies. The

stream of wealth pouring in from Mexico and Peru helped to enervate the whole government. The wealth, of an artificial character, led to neglect of internal development, and the general tendency was to govern the colonial possessions on the basis of squeezing out of them the last peso of revenue. There was little of a constructive character, and much, in fact, to discourage real progress.

From time to time there were ministers who realized the danger of a form of government which gave little and exacted much. In 1783 the Conde de Aranda, in a private memorandum to the King, deplored the aid given by the Spanish to the British American colonies in their fight for independence. He pointed out that while England was Spain's enemy, the example of the northern colonies might easily be followed by the Spanish colonies. His memorandum continues: "The liberty of religion, the ease of settling people and vast tracts of land, and the advantages which the new form of government offers, will attract the artisans and laborers of all nations . . . and within a few years we shall see, with the greatest regret, a colossus as our neighbor. Once this Anglo-American power is enlarged and established, we cannot but believe that its first vision will be that of the possession of the Floridas in order to dominate in the Mexican sphere. Once this is accomplished, it will not only be in a position to interrupt our commerce with Mexico whenever it wishes, but it will aspire to the conquest of that vast empire,— which we, from Europe, could not defend against a power grand, formidable and established on the same continent. . . . These are not vain fears, but truthful prognostications of what must inevitably happen. . . . How is it possible that the American colonies, when they are in a position to conquer Mexico, will refrain themselves and leave us

in peaceful possession of that rich country? It is not believable, and, therefore, sound policy dictates that we should, in time, take measure to prevent evils which may overwhelm us." The Conde recommends that three new kingdoms be formed, one of Mexico, one of Peru, and the third of the remaining Spanish possessions, the ruler of each to be named by the Spanish crown, but each kingdom to be given entire freedom to legislate for itself. Under the stimulus of home rule each kingdom would so develop as to be strong enough to protect itself from attack, while Spain would derive benefit in continuing a healthy commerce with the new countries.

Had the counsel given in this remarkable document been followed, the catastrophe which lost Spain all her American possessions might have been averted. Neither to this nor to other occasional pieces of sound advice given was any attention paid. The whole tendency of the Spanish policy was to alienate the sympathy of the colonies. The vision of Aranda came true, and, once the American colonies were firmly established, the Spanish colonies, one by one, began to fight for independence. In this effort they were greatly aided by internal conditions in Spain. Napoleon had overrun the country, and the King, kept on the throne by him, had alienated the people. Many loyal Spaniards in Mexico and other colonies felt that their mother country, dominated by foreigners, could no longer claim their allegiance.

At the beginning of the Nineteenth Century Mexico was by far the most important of the Spanish colonial possessions. The country had over five millions of people, and the capital, with 135,000 inhabitants, was the most important city of the new world. The government revenues were twenty million pesos a year, the foreign commerce amounted to thirty-two million pesos, and mineral production exceeded twenty million pesos.

The well-to-do class, including many loyal Spaniards, was galled by the stream of revenues going out of the country for the support of a government dominated by Napoleon. The Spanish residents of Mexico were, moreover, greatly irritated by the fact that they had little or no participation in government affairs, which, from the most important matters down to petty details, were handled by people who were new to the country and not in sympathy with its ideas. Of the sixty-four viceroys who had represented the Crown only one had been born in Mexico, and the same general condition prevailed as to minor posts. In the church, conditions were no better for the native born element. The post of archbishop had, with one exception, never been given to any one born in the country, and the bishops of Mexico, Guadalajara and Michoacan were almost invariably of foreign birth. The industries of the country had largely been farmed out, under monopolistic concessions, to court favorites who, having no natural sympathy for the country, had no hesitation about exploiting it for their own benefit.

All internal conditions were favorable for a change. In Spain the people were in open rebellion and fighting heroically to throw out the French usurpers of their government. Moreover, the prosperous development of the United States under its new government furnished a striking contrast to the devastated condition of Europe, then struggling in the throes of the Napoleonic wars. Everything tended to encourage a break between Mexico and the mother country. A movement toward independence, started in 1808 in Queretero, was carried along secretly for two years, enlisting, during this time, the sympathy and support of Miguel Hidalgo, a native born priest who soon assumed the leadership of the cause. On the sixteenth of September, 1810, Hidalgo, then

parish priest of Dolores, learning that the conspiracy had been betrayed to the government, anticipated any action by seizing the local authorities and government funds, making, at the time, a public speech which proclaimed the object of the movement to be that of taking the government out of the hands of Europeans, who, he said, had already delivered their own country to the French and who would follow up their treason by soon handing Mexico over to the invaders. The revolution made headway rapidly, gathering in force of numbers day by day. The towns of Celayo and Queretero fell, making little or no resistance, and on the twenty-eighth of September Guanajuato, after a heroic defense by the Governor and the small force he had with him, came into the possession of the revolutionists. The revolutionary force, while large in numbers, was hardly more than a mob. There was nothing like military organization or discipline, and the fall of each town was accompanied by great excesses. The homes of Spanish residents were plundered of everything of value, and shops were sacked by the troops and populace. Word of the insurrection reached Mexico City quickly, and preparations were made for the defense of the capital and for the gathering of sufficient forces to put down the uprising. The insurgent army slowly improved in organization, took town after town, and finally, on October thirtieth, defeated the royalist forces within twenty miles of the capital. Hidalgo was unable, for lack of arms and powder, to follow up this victory by taking the capital itself, and decided to return to Queretero. The march north was abruptly interrupted on the seventh day of November by an encounter with royalist forces going to the aid of the capital. The revolutionary forces, unprepared for an attack and lacking arms and ammunition, were disastrously defeated, and Hidalgo and other lead-

ers barely managed to reach Queretero. The movement, however, spread throughout the country, and Hidalgo was able to gather a sufficient force to take Guadalajara, where the first steps were taken to form a regular government. The record of the early days of the revolution is blackened by the excesses committed in various towns. The revolt, however, resulted in a decree being issued by the Viceroy prohibiting slavery and abolishing head taxes. The first act of the newly formed government was to issue a similar decree. The weak position of the insurgents at Guanajuato was betrayed to Calleja, the royalist general, who proceeded to attack the city. The revolutionary forces, unable to withstand the attack of a well equipped force, evacuated the city. Before leaving they entered the jail and killed one hundred and thirty-eight out of two hundred and forty-nine Spaniards who had been arrested and placed in confinement. Calleja retaliated by killing every one encountered on the streets when the town was occupied, some four hundred people, most of them in no way connected with the revolt, giving up their lives in this act of bloody vengeance. Allende and others of the insurgents now joined Hidalgo at Guadalajara, where the butchery of innocent Spaniards was repeated, two hundred being killed. Hidalgo determined to attack the royalist forces, counting on the large number of his men for victory. He had a total of thirty thousand men to draw on, and from these he formed seven battalions of infantry, six squadrons of cavalry and two batteries of artillery, the force totaling three thousand four hundred men. There were, however, only twelve hundred muskets, and of these many were useless. The army marched out of Guadalajara and arrived at Calderon, thirty-five miles distant, on January fourteenth, 1811. Calleja, with seven thousand men, attacked the force on the seven-

teenth, and completely routed it, Hidalgo, Allende and others leaders managing, however, to escape. The royalist forces now reoccupied Guadalajara, and later took all the towns which Hidalgo had held. Hidalgo, Allende and thirty other leaders were later betrayed to the royalists, and all were executed in July, 1811. The heads of Hidalgo, Allende and Aldama were set on spikes on the jail in Guanajuato and remained there, a grewsome warning, for ten years.

Early in the revolutionary movement the church had excommunicated Hidalgo and other leaders, and had threatened with excommunication any who gave material or moral support to the cause. Neither this nor the execution of the leaders was effective, however, in suppressing revolutionary ideas, and armed opposition to the government developed rapidly in various parts of the country. Jose Maria Morelos became, soon after the death of Hidalgo, the leader of the revolution, and for four years conducted military operations which were successful only in harassing the government. He was finally defeated, captured, and shot.

During all this time a form of revolutionary government was maintained, but the government, such as it was, had to shift frequently and rapidly in the series of successes and defeats which its army met. Nevertheless, the movement was gradually becoming an organized one, gaining strength in numbers and leaders from month to month, and was, in fact, so formidable that by 1820, the government was obliged to maintain an army of 85,000 men in the field. Augustin de Iturbide, an officer in the royalist army, in 1821 conceived the idea of a compromise by establishing an independent constitutional monarchy in Mexico, with Fernando VII of Spain as King. The plan, so-called that of Iguala, received the approval of the new viceroy with the under-

standing that should Fernando VII be unable to accept the throne one of his sons should be chosen in his place. This plan was carried out, and on the twenty-seventh of September, 1821, Iturbide entered the capital in the rôle of liberator of the country. A provisional government was named, with Juan O'Donoju as provisional viceroy. Iturbide had doubtless counted on the disapproval of the plan by the Spanish government, and calculated that, once in power, he would be in a position to deal with the situation. The Spanish government repudiated the arrangement, and Iturbide's followers promptly set up a cry demanding that he be proclaimed emperor. On May eighteenth a Congress was called, and Iturbide was elected emperor, and his coronation followed on July twentieth. Congress, which was Iturbide's tool, voted him a salary of one and one-half million pesos, an amount which, however, for lack of funds, was never paid. Shortly after this, Iturbide dissolved Congress, and proceeded to run affairs under a dictatorship. The government extravagance, coupled with its methods, provoked a new revolution led by Antonio Lopez de Santa Anna, which received the support of the army. As a result Iturbide was obliged to abdicate, and left Mexico on April 11, 1823. Although compelled to leave the country, Iturbide, in recognition of his services in securing the independence of Mexico, received an annual pension of 25,000 pesos.

The Mexican Republic was then proclaimed, and was organized in October, 1824, as a constitutional representative republic with eighteen states and four territories, and D. Guadalupe Victoria was elected president. The fortress of Ulua, near Vera Cruz, the last Spanish stronghold in Mexico, capitulated on November 18, 1825. Manuel Gomez Pedraza succeeded Victoria, but held office only a few weeks, being forced out by

Vicente Guerrero, who had the support of Santa Anna and other military leaders. In 1829, an army of four thousand men, sent out from Spain in an attempt to reconquer the country, seized Tampico, but, attacked by Santa Anna and General Teran, was obliged to capitulate, surrender its arms and sail for Spain after its leaders had given a promise that no further effort would be made by Spain to interfere in the affairs of the new republic. Internal troubles, however, were more calculated to bring disaster than attacks from without. General Anastasio Bustamente overthrew Guerrero's rule and succeeded in dominating most of the country. Guerrero withdrew to the south and organized a formidable army. The captain of a Sardinian ship purchased by Guerrero was bribed by Bustamente to betray the ex-president, who was invited to lunch on board in Acapulco harbor and seized when luncheon was over. The unfortunate Guerrero was taken in Oaxaca, tried by an irregular court martial and executed. This act produced a reaction of feeling, and Santa Anna led a movement to overthrow Bustamente, who was obliged, in December, 1832, to sign a convention recognizing as President, Gomez Pedraza, under the election of 1828. Pedrazo served an unexpired term of three months, when Santa Anna was elected as his successor.

The early years of the Mexican Republic were characterized by a long series of factional and personal quarrels in which the control of the public treasury seems to have figured as the main prize. Each government left the treasury bankrupt, and, in fact, the early fall of a government was usually foreshadowed by heavy treasury deficits. Why the treasury should have figured as a prize would, therefore, be inexplicable but for the fact that each government, on coming into power, promptly repudiated all the obligations of its prede-

cessor, and was thus enabled to start off with a clean sheet. Every new government introduced something new in the way of taxes, spent lavishly while the proceeds lasted, and then collapsed or was overthrown. No one had any confidence in whatever government or party happened to be in power. In 1836, when Texas declared its independence and funds had to be raised to equip an army to suppress the revolt, the government raised, on loans, 2,200,000 pesos, paying 40 per cent. interest for half a million and 4 per cent. per month for the balance!

The Texas campaign was a complete disaster. Santa Anna, had he been an able military leader, might have, with his six thousand men, put a quick end to the young republic. He committed, however, great excesses, burning towns and villages, shooting prisoners, and permitting his soldiers to loot, all this "frightfulness" only arousing the most determined spirit of resistance. Moreover, he had no plan of campaign, and permitted his own forces to separate into two or three units, the better, probably, to carry out the general idea of laying the country waste. On April 21, 1836, he, with thirteen hundred men, was surprised by the Texan army of eight hundred men under Sam Houston. The Mexican force was completely routed and Santa Anna taken prisoner. Santa Anna, in grave danger of being shot in reprisal for the shooting of Texan prisoners, sent orders to Filisola, his second in command, to withdraw his three thousand men and await orders — an act of personal cowardice which the Mexican people have never forgotten. Filisola followed his instructions, and Santa Anna, after some months of life in prison, secured his own liberty by agreeing to recognize the independence of Texas. Santa Anna returned to Mexico, where the government declined to support his action, and endeav-

ored, unsuccessfully, to raise funds for a new campaign against Texas. While discredited, Santa Anna managed to keep a hold on the military element, and continued to be a power in politics for some years.

In 1836 Spain gave official recognition to the Mexican republic. This, coupled with the elimination of complications through the independence of Texas, promised Mexico freedom from foreign troubles. Meanwhile, however, trouble had been brewing with France over a question of claims of French citizens for losses in the various upheavals in Mexico, and in 1839 France sent a squadron of ten ships to Mexico, established a blockade and captured Vera Cruz after a bombardment in which, incidentally, Santa Anna lost a leg. The French claims were settled by the payment of 600,000 pesos, for 200,000 pesos of which the French government never found any claimants.

CHAPTER VII

MADAME CALDERON DE LA BARCA

It would be wearisome to go into the detail of the petty squabbles and the series of political turnovers in the next few years of Mexican history. A vivid picture has been painted, however, by Madame Calderon de la Barca, wife of the first minister sent by Spain to Mexico, in her "Life in Mexico," first published in 1842 and republished recently (E. P. Dutton & Co., New York). Madame de la Barca was Scotch and endowed with a rich fund of the wit of her race. Her book not only gives a graphic picture of life in Mexico but is bright and entertaining throughout, and well worth reading. To give some idea of the conditions prevailing eighty years ago the following extracts from this charming work are given.

"One circumstance must be observed by all who travel in Mexican territory. There is not one human being or passing object that is not in itself a picture, or which would not form a good subject for the pencil. The Indian women with their plaited hair, and little children slung to their backs, their large straw hats, and petticoats of two colors — the long strings of arrieros with their loaded mules, and swarthy, wild-looking faces — the chance horseman who passes with his sarape of many colors, his high ornamented saddle, Mexican silver stirrups, and leathern boots — this is picturesque. Salvator Rosa and Hogarth might have

traveled here to advantage: Salvator for the sublime, and Hogarth taking him up when the sublime became the ridiculous. . . .

"The common Indians, whom we see every day bringing in their fruit and vegetables to market, are, generally speaking, very plain, with an humble, mild expression of countenance, very gentle, and wonderfully polite in their manners to each other; but occasionally, in the lower classes, one sees a face and form so beautiful, that we might suppose such another was the Indian who enchanted Cortes; with eyes and hair of extraordinary beauty, a complexion dark but glowing, with the Indian beauty of teeth like the driven snow, together with small feet and beautifully-shaped hands and arms, however imbrowned by sun and toil. . . .

"It has a character peculiar to itself, great plains of maguey, with its huts with uncultivated patches, that have once been gardens, still filled with flowers and choked with weeds; the huts themselves, generally of mud, yet not unfrequently of solid stone, roofless and windowless, with traces of having been fine buildings in former days; the complete solitude, unbroken except by the passing Indian, certainly as much in a state of savage nature as the lower class of Mexicans were when Cortes first traversed these plains — with the same character, gentle and cowardly, false and cunning, as weak animals are apt to be by nature, and indolent and improvident as men are in a fine climate; ruins everywhere — here a viceroy's country palace serving as a tavern, where the mules stop to rest, and the drivers to drink pulque — there, a whole village crumbling to pieces; roofless houses, broken down walls and arches, an old church — the remains of a convent. . . . For leagues scarcely a tree to be seen; then a clump of the graceful Arbol de Peru, or one great cypress — long

strings of mules and asses, with their drivers — pasture-fields with cattle — then again whole tracts of maguey, as far as the eye can reach; no roads worthy of the name, but a passage made between fields of maguey, bordered by crumbling-down low stone walls, causing a jolting from which not even the easy movement of Charles X's coach can save us. But the horses go at full gallop, accustomed to go through and over everything. . . .

"Then as to schools, there are none that can deserve the name, and no governesses. Young girls can have no emulation, for they never meet. They have no public diversion, and no private amusement. There are a few good foreign masters, most of whom have come to Mexico for the purpose of making their fortune, by teaching, or marriage, or both, and whose object, naturally, is to make the most money in the shortest possible time, that they may return home and enjoy it. The children generally appear to have an extraordinary disposition for music and drawing, yet there are few girls who are proficient in either. . . .

"REVOLUTION in Mexico! or Pronunciamiento, as they call it. The storm which has for some time been brewing has burst forth at last. Don Valentin Gomez Farias and the banished General Urrea have pronounced for federalism. At two this morning, joined by the fifth battalion and the regiment of comercio, they took up arms, set off for the palace, surprised the president in his bed, and took him prisoner. Our first information was a message arriving on the part of the government, desiring the attendance of two old soldiers, who put on their old uniforms, and set off quite pleased. Next came our friend Don M—— del C——o, who advised us to haul out the Spanish colors, that they might be in readiness to fly on the bal-

cony in case of necessity. Little by little, more Spaniards arrived with different reports as to the state of things. Some say that it will end in a few hours — others, that it will be a long and bloody contest. Some are assured that it will merely terminate in a change of ministry — others that Santa Anna will come on directly and usurp the presidency. At all events, General Valencia, at the head of the government troops, is about to attack the pronunciados, who are in possession of the palace. . . .

"The firing has begun! People come running up the street. The Indians are hurrying back to their villages in double-quick trot. As we are not in the center of the city, our position for the present is very safe, all the cannon being directed towards the palace. All the streets near the square are planted with cannon, and it is pretended that the revolutionary party are giving arms to the leperos. The cannon are roaring now. All along the street people are standing on the balconies, looking anxiously in the direction of the palace, or collected in groups before the doors, and the azoteas, which are out of the line of fire, are covered with men. They are ringing the tocsin — things seem to be getting serious.

"Nine o'clock, P. M.— Continuation of firing without interruption. I have spent the day standing on the balcony, looking at the smoke, and listening to the different rumors. Gomez Farias has been proclaimed president by his party. The streets near the square are said to be strewed with dead and wounded. There was a terrible thunderstorm this afternoon. Mingled with the roaring of the cannon, it sounded like a strife between heavenly and earthly artillery. We shall not pass a very easy night, especially without our soldiers.

Unfortunately there is a bright moon, so night brings no interruption to the firing and slaughter.

"Our first news was brought very early this morning by the wife of one of the soldiers, who came in great despair to tell us that both her husband and his comrade are shot, though not killed — that they were amongst the first who fell; and she came to entreat C——n to prevent their being sent to the hospital. It is reported that Bustamente has escaped, and that he fought his way, sword in hand, through the soldiers who guarded him in his apartment. Almonte at all events is at the head of his troops. The balls have entered many houses in the square. It must be terribly dangerous for those who live there, and amongst others, for our friend Señor Tagle, Director of the Monte Pio, and his family.

"They have just brought the government bulletin, which gives the following statement of the circumstances: 'Yesterday, at midnight, Urrea, with a handful of troops belonging to the garrison and its neighborhood took possession of the National Palace, surprising the guard, and committing the incivility of imprisoning His Excellency the President, Don Anastasio Bustamente, the commander-in-chief, the Mayor de la Plaza, and other chiefs. Don Gabriel Valencia, chief of the plana mayor (the staff), General Don Antonio Mozo, and the Minister of War, Don Juan Nepomuceno Almonte, reunited in the citadel, prepared to attack the pronunciados, who, arming the lowest populace, took possession of the towers of the cathedral, and of some of the highest edifices in the center of the city. Although summoned to surrender, at two in the afternoon firing began, and continued till midnight, recommencing at five in the morning, and only ceasing at intervals. The colonel of

the sixth regiment, together with a considerable part of his corps, who were in the barracks of the palace, escaped and joined the government troops, who have taken the greater part of the positions near the square and the palace. His Excellency the President, with a part of the troops which had pronounced in the palace, made his escape on the morning of the sixteenth, putting himself at the head of the troops who have remained faithful to their colors, and at night published the following proclamation:

"'"The President of the Republic to the Mexican Nation.

"'"Fellow-Citizens: The seduction which has spread over a very small part of the people and garrison of this capital: the forgetfulness of honor and duty, have caused the defection of a few soldiers, whose misconduct up to this hour has been thrown into confusion by the valiant behavior of the greatest part of the chiefs, officers, and soldiers, who have intrepidly followed the example of the valiant general-in-chief of the plana mayor of the army. The government was not ignorant of the machinations that were carrying on; their authors were well known to it, and it foresaw that the gentleness and clemency which it had hitherto employed in order to disarm them, would be corresponded to with ingratitude.

"'"This line of policy has caused the nation to remain headless (acefala) for some hours, and public tranquillity to be disturbed; but my liberty being restored, the dissidents, convinced of the evils which have been and may be caused by these tumults, depend upon a reconciliation for their security. The government will remember that they are misled men, belonging to the great Mexican family, but not for this will it forget how much they have forfeited their rights to respect;

nor what is due to the great bulk of the nation. Public tranquillity will be restored in a few hours; the laws will immediately recover their energy and the government will see them obeyed.

"'"ANASTASIO BUSTAMENTE.

"'"Mexico, July 16th, 1840."'

"A roar of cannon from the Palace, which made the house shake and the windows rattle, and caused me to throw a blot over the President's good name, seems the answer to this proclamation.

"17th.— The state of things is very bad. Cannon planted all along the streets, and soldiers firing indiscriminately on all who pass. Count C——a slightly wounded, and carried to his country-house at Tacubaya. Two Spaniards have escaped from their house, into which the balls were pouring, and have taken refuge here. The E—— family have kept their house, which is in the very center of the affray, cannons planted before their door, and all their windows already smashed. Indeed, nearly all the houses in that quarters are abandoned. We are living here like prisoners in a fortress. The Countess Del V——e, whose father was shot in a former revolution, had just risen this morning, when a shell entered the wall close by the side of her bed, and burst in the mattress.

"As there are two sides to every story, listen to the proclamation of the chief of the rebels.

"'Señor Valentin Gomez Farias to the Mexican People.

"'Fellow-Citizens: We present to the civilized world two facts, which, while they will cover with eternal glory the Federal army and the heroic inhabitants of this capital, will hand down with execration and infamy, to all future generations, the name of General

Bustamente; this man without faith, breaking his solemnly-pledged word, after being put at liberty by an excess of generosity; for having promised to take immediate steps to bring about a negotiation of peace, upon the honorable basis which was proposed to him, he is now converted into the chief of an army, the enemy of the Federalists; and has beheld, with a serene countenance, this beautiful capital destroyed, a multitude of families drowned in tears, and the death of many citizens; not only of the combatants, but of those who have taken no part in the struggle. Amongst these must be counted an unfortunate woman enceinte, who was killed as she was passing the palace gates under the belief that a parley having come from his camp, the firing would be suspended, as in fact it was on our side. This government, informed of the misfortune, sent for the husband of the deceased, and ordered twenty-five dollars to be given him; but the unfortunate man, though plunged in grief, declared that twelve were sufficient to supply his wants. Such was the horror inspired by the atrocious conduct of the ex-government of Bustamente, that this sentiment covered up and suffocated all the others.

"'Another fact, of which we shall with difficulty find an example in history, is the following. The day that the firing began, being in want of some implements of war, it was necessary to cause an iron case to be opened, belonging to Don Stanislaus Flores, in which he had a considerable sum of money in different coin, besides his most valuable effects. Thus, all that the government could do, was to make this known to the owner, Señor Flores, in order that he might send a person of confidence to take charge of his interests, making known what was wanting, that he might be immediately paid. The pertinacity of the firing pre-

vented Señor Flores from naming a commissioner for four days, and then, although the case has been open, and no one has taken charge of it, the commissioner has made known officially that nothing is taken from it but the implements of war which were sent for. Glory in yourselves, Mexicans! The most polished nation of the earth, illustrious France, has not presented a similar fact. The Mexicans possess heroic virtues, which will raise them above all the nations in the world. This is the only ambition of your fellow-citizen,

"'Valentin Gomez Farias.

"'Mexico, July 17th, 1840.'

"21st.— After passing a sleepless night, listening to the roaring of cannon, and figuring to ourselves the devastation that must have taken place, we find to our amusement that nothing decisive has occurred. The noise last night was mere skirmishing, and half the cannons were fired in the air. In the darkness there was no mark. But though the loss on either side is so much less than might have been expected, the rebels in the palace cannot be very comfortable, for they say that the air is infected by the number of unburied dead bodies lying there; indeed there are many lying unburied on the streets, which is enough to raise a fever, to add to the calamitous state of things.

"The tranquillity of the sovereign people during all this period is astonishing. In what other city in the world would they not have taken part with one or other side? Shops shut, workmen out of employment, thousands of idle people, subsisting, Heaven only knows how, yet no riot, no confusion, apparently no impatience. Groups of people collect on the streets, or stand talking before their doors, and speculate upon

probabilities, but await the decision of their military chiefs, as if it were a judgment from Heaven, from which it were both useless and impious to appeal.

"This being Sunday, and a fête-day, a man was murdered close by our door, in a quarrel brought about probably through the influence of pulque, or rather of chinguirite. If they did not so often end in a deadly quarrel, there would be nothing so amusing as to watch the Indians gradually becoming a little intoxicated. They are at first so polite,— handing the pulque-jar to their fair companions (fair being taken in the general or Pickwickian sense of the word); always taking off their hats to each other, and if they meet a woman, kissing her hand with an humble bow as if she were a duchess; — but these same women are sure to be the cause of a quarrel, and then out come these horrible knives — and then, Adios! . . .

"It is impossible to conceive anything more humble and polite than the common country-people. Men and women stop and wish you a good day, the men holding their hats in their hands, and all showing their white teeth, and faces lighted up by careless good-nature. I regret to state, however, that to-day there are a great many women quite as tipsy as the men, returning home after the fête, and increasing the distance to their village, by taking a zigzag direction through the streets. . . .

"Señor Canedo, Secretary of State, has formally announced his intention of resigning. Certainly the situation of premier in Mexico, at this moment, is far from enviable, and the more distinguished and clear-headed the individual, the more plainly he perceives the impossibility of remedying the thickly-gathering evils which crowd the political horizon. 'Revolution,' says Señor de——, 'has followed revolution since the

Independence, no stable government has yet been established. Had it been so, Mexico would have offered to our eyes a phenomenon unknown until now in the world — that of a people, without previous preparation, passing at once to govern themselves by democratical institutions.' . . .

"They, as well as every Mexican, whether man or woman, not under forty, have lived under the Spanish government; have seen the revolution of Dolores of 1810, with continuations and variations by Morelos, and paralyzation in 1819; the revolution of Yturbide in 1821; the cry of Liberty (grito de Libertad) given by those generals 'benemeritos de la patria,' Santa Anna and Victoria, in 1822; the establishment of the federal system in 1824; the horrible revolution of the Acordada, in which Mexico was pillaged, in 1828; the adoption of the central system in 1836; and the last revolution of the federalists in 1840. Another is predicted for next month, as if it were an eclipse of the sun. In nineteen years three forms of government have been tried, and two constitutions, the reform of one of which is still pending in the Chambers.

"If any one wishes to try the effect of strong contrast, let him come direct from the United States to this country; but it is in the villages especially that the contrast is most striking. Traveling in New England, for example, we arrive at a small and flourishing village. We see four new churches, proclaiming four different sects; religion suited to all customers. These wooden churches or meeting-houses are all new, all painted white, or perhaps a bright red. Hard by is a tavern with a green paling, as clean and as new as the churches, and there are also various smart stores and neat dwelling-houses; all new, all wooden, all clean, and all ornamented with slight Grecian pillars. The whole has

a cheerful, trim, and flourishing aspect. Houses, churches, stores, and taverns, all are of a piece. They are suited to the present emergency, whatever that may be, though they will never make fine ruins. Everything proclaims prosperity, equality, consistency; the past forgotten, the present all in all, and the future taking care of itself. No delicate attentions to posterity, who can never pay its debts. No beggars. If a man has even a hole in his coat, he must be lately from the Emerald Isle. . . .

"Transport yourself in imagination from this New England village to that of ——, it matters not which, not far from Mexico. Look on this picture, and on that. The Indian huts, with their half-naked inmates, and little gardens full of flowers; the huts themselves either built of clay or the half-ruined beaux restes of some stone building. At a little distance an hacienda, like a deserted palace, built of solid masonry, with its inner patio surrounded by thick stone pillars, with great walls and iron barred windows that might stand a siege. Here a ruined arch and cross, so solidly built, that one cannot but wonder how the stones ever crumbled away. There, rising in the midst of old faithful-looking trees, the church, gray and ancient, but strong as if designed for eternity; with its saints and virgins, and martyrs and relics, its gold and silver and precious stones, whose value would buy up all the spare lots in the New England village; the lepero with scarce a rag to cover him, kneeling on that marble pavement. Leave the enclosure of the church, observe the stone wall that bounds the road for more than a mile; the fruit trees overtopping it, high though it be, with their loaded branches. This is the convent orchard. And that great Gothic pile of building, that stands in hoary majesty,

surmounted by the lofty mountains, whose cloud-enveloped summits, tinged by the evening sun, rise behind it; what could so noble a building be but the monastery, perhaps of the Carmelites, because of its exceeding rich garden, and well-chosen site, for they, of all monks, are richest in this world's goods? Also we may see the reverend old prior riding slowly from under the arched gate up the village lanes, the Indians coming from their huts to do him lowly reverence as he passes. Here, everything reminds us of the past; of the conquering Spaniards, who seemed to build for eternity; impressing each work with their own solid, grave, and religious character; of the triumphs of catholicism; and of the Indians when Cortes first startled them from their repose, and stood before them like the fulfillment of half-forgotten prophecy. It is the present that seems like a dream, a pale reflection of the past. All is decaying and growing fainter, and men seem trusting to some unknown future which they may never see. One government has been abandoned, and there is none in its place. One revolution follows another, yet the remedy is not found. Let them beware lest half a century later, they be awakened from their delusion, and find the cathedral turned into a meeting-house, and all painted white; the railing melted down; the silver transformed into dollars; the Virgin's jewels sold to the highest bidder; the floor washed (which would do it no harm), and round the whole, a nice new wooden paling, freshly done in green — and all this performed by some of the artists from the wide-awake republic farther north. . . .

"Certainly no visible improvement has taken place in their condition since the independence. They are quite as poor and quite as ignorant, and quite as

degraded as they were in 1808, and if they do raise a little grain of their own, they are so hardly taxed that the privilege is as nought. . . .

"1st Sept.— This revolution is like a game at chess, in which kings, castles, knights, and bishops, are making different moves, while the pawns are looking on or taking no part whatever.

"To understand the state of the board, it is necessary to explain the position of the four principal pieces — Santa Anna, Bustamente, Paredes, and Valencia. The first move was made by Paredes, who published his plan, and pronounced on the eighth of August at Guadalajara. About the same time, Don F—— M——, a Spanish broker, who had gone to Manga de Clavo, was sent to Guadalajara, and had a conference with Paredes, the result of which was, that the plan of that general was withdrawn, and it was supposed that he and Santa Anna had formed a combination. Shortly after, the *Censor* of Vera Cruz, a newspaper entirely devoted to Santa Anna, pronounced in favor of the plan of Paredes, and Santa Anna, with a few miserable troops, and a handful of cavalry, arrived at Perote. Here he remains for the present, kept in check by the (government) General Torrejon. Meanwhile Paredes, with about six hundred men, left Guadalajara and marched upon Guanajuato; and there a blow was given to the government party by the defection of General Cortazar, who thought fit thus to show his grateful sense of having just received the rank of general of brigade with the insignia of this new grade, which the president put on with his own hands. Another check to the president. Once begun, defection spread rapidly, and Paredes and Cortazar having advanced upon Queretaro, found that General Juvera, with his garrison, had already pronounced there, at the moment that they were

expected in Mexico to assist the government against Valencia. Paredes, Cortazar, and Juvera are now united, and their forces amount to two thousand two hundred men.

"Meanwhile General Valencia, pressed to declare his plan, has replied that he awaits the announcement of the intentions of Generals Paredes and Santa Anna; and, for his own part, only desires the dismissal of General Bustamente.

"This, then, is the position of the three principal pronounced chiefs, on this second day of September of the year of our Lord 1841. Santa Anna in Perote, hesitating whether to advance or retreat, and, in fact, prevented from doing either by the vicinity of General Torrejon. Paredes in Queretaro, with the other revolted generals. Valencia in the citadel of Mexico with his pronunciados; while Bustamente, with Generals Almonte and Canalizo, the mark against which all these hostile operations are directed, is determined, it is said, to fight to the last.

"Mexico looks as if it had got a general holiday. Shops shut up, and all business at a stand. The people, with the utmost apathy, are collected in groups, talking quietly; the officers are galloping about; generals, in a somewhat parti-colored dress, with large gray hats, striped pantaloons, old coats, and generals' belts, fine horses, and crimson color velvet saddles. The shopkeepers in the square have been removing their goods and money. An occasional shot is heard, and sometimes a volley, succeeded by a dead silence. The archbishop shows his reverend face now and then upon the opposite balcony of his palace, looks out a little while, and then retires. The chief effect, so far, is universal idleness in man and beast,— the soldiers and their quadrupeds excepted. However, every turret and belfry is

covered with soldiers, and the streets are blocked up with troops and trenches. From behind these turrets and trenches they fire at each other, scarcely a soldier falling, but numbers of peaceful citizens; shells and bombs falling through the roofs of the houses, and all this for 'the public good.'

"The war of July had at least a shadow of pretext; it was a war of party, and those who wished to reëstablish federalism may have acted with good faith. Now there is neither principle, nor pretext, nor plan, nor the shadow of reason or legality. Disloyalty, hypocrisy, and the most sordid calculation, are all the motives that can be discovered; and those who then affected an ardent desire for the welfare of their country have now thrown aside their masks, and appear in their true colors; and the great mass of the people, who, thus passive and oppressed, allow their quiet homes to be invaded, are kept in awe neither by the force of arms, nor by the depth of the views of the conspirators, but by a handful of soldiers, who are themselves scarcely aware of their own wishes or intentions, but that they desire power and distinction at any price.

"23rd.— We have received news this morning of the murder of our porter, the Spaniard whom we had brought from Havana. He had left us, and was employed as porter in a fabrica (manufactory), where the wife and family of the proprietor resided. Eight of General Valencia's soldiers sallied forth from the citadel to rob this factory, and poor Jose, the most faithful and honest of servants, having valiantly defended the door, was cruelly murdered. They afterwards entered the building, robbed, and committed dreadful outrages. They are selling printed papers through the streets to-day, giving an account of it. The men are taken up, and it is said will be shot by orders of the

general; but we doubt this, even though a message has arrived, requiring the attendance of the padre who confesses criminals; a Franciscan monk, who, with various of his brethren, are living here for safety at present.

"The situation of Mexico is melancholy.

"24th.— News have arrived that General Paredes has arrived at the Lecheria, an hacienda belonging to this family, about three leagues from San Xavier; and that from thence he sent one of the servants of the farm to Mexico, inviting the president to a personal conference. The family take this news of their hacienda's being turned into military quarters very philosophically; the only precaution on these occasions being to conceal the best horses, as the pronunciados help themselves, without ceremony, to these useful quadrupeds, wherever they are to be found.

"We have just returned after a sunny walk, and an inspection of the pronunciados — they are too near Mexico now for me to venture to call them the rebels. The infantry, it must be confessed, was in a very ragged and drunken condition — the cavalry better, having borrowed fresh horses as they went along. Though certainly not point-device in their accouterments, their good horses, high saddles, bronze faces, and picturesque attire, had a fine effect as they passed along under the burning sun. The sick followed on asses, and amongst them various masculine women, with sarapes or Mangas and large straw hats, tied down with colored handkerchiefs, mounted on mules or horses. The sumpter mules followed, carrying provisions, camp-beds, etc.; and various Indian women trotted on foot in the rear, carrying their husbands' boots and clothes. There was certainly no beauty amongst these feminine followers of the camp, especially amongst the mounted Amazons, who looked like very ugly men in a semi-female disguise.

The whole party are on their way to Tacubaya, to join Santa Anna! The game is nearly up now. Check from two knights and a castle—from Santa Anna and Paredes in Tacubaya, and from Valencia in the citadel. People are flying in all directions, some from Mexico, and others from Guadalupe and Tacubaya. . . .

"It appears that Santa Anna was marching from Puebla, feeling his way towards the capital in fear and trembling. At Rio Frio a sentinel's gun having accidentally gone off, the whole army were thrown into the most ludicrous consternation and confusion. Near Oyotla the general's brow cleared up, for here he was met by commissioners from the government, Generals Orbegoso and Guyame. In a moment the quick apprehension of Santa Anna saw that the day was his own. He gave orders to continue the march with all speed to Tacubaya, affecting to listen to the proposals of the commissioners, amusing them without compromising himself, and offering to treat with them at Mexicalsingo. They returned without having received any decided answer, and without, on their part, having given any assurance that his march should not be stopped; yet he has been permitted to arrive unmolested at Tacubaya, where Paredes has also arrived, and where he has been joined by General Valencia; so that the three pronunciado generals are now united there to dispose of the fate of the republic. . . .

"The same day General Almonte had an interview with Santa Anna, who said with a smile, when he left him, 'Es buen muchacho (he is a good lad) — he may be of service to us yet.'

"The three allied sovereigns are now in the archbishop's palace at Tacubaya, whence they are to dictate to the president and the nation. But they are, in fact, chiefly occupied with their respective en-

gagements and respective rights. Paredes wishes to fulfill his engagements with the departments of Guanjuato, Jalisco, Zacatecas, Aguas Calientes, Queretaro, etc. In his plan he promised them religious toleration, permission for foreigners to hold property, and so on — the last, in fact, being his favorite project. Valencia, on his side, has his engagements to fulfill with the federalists, and has proposed Señor Pedraza as an integral part of the regeneration — one whose name will give confidence now and ever to his party. General Santa Anna has engagements with himself. He has determined to command them all, and allows them to fight amongst themselves, provided he governs. Paredes is, in fact, furious with Valencia, accusing him of having interfered when not wanted, and of having ruined his plan, by mingling it with a revolution, with which it had no concern. He does not reflect that Valencia was the person who gave the mortal wound to the government. Had he not revolted, Santa Anna would not have left Perote, nor Paredes himself passed on unmolested. . . ."

CHAPTER VIII

AMERICAN WAR—FRENCH OCCUPATION

The admission of Texas to the American union in 1844 precipitated war with the United States. Historians seem to be unanimous that there was no just cause for war, and that the attack on Mexico was an act of oppression on a weak neighbor. In any event, it is certain that Mexico was in no shape for a foreign war. "The condition of the country to provide for its defense against foreign attack could not have been worse," says Verdia. "Unstable governments: entire penury: a demoralized and corrupted army, without organization and without a single capable leader: the political parties effervescent and inexorable: the clergy egoistic, and the public cold." The American army under Zachary Taylor attempted to move on Mexico from the north, but the plan proved a failure because of the difficulties of keeping open the lines of communication. An expedition was accordingly sent to Vera Cruz, and Winfield Scott, after taking the port, marched on the capital, meeting with stout resistance along the route. The fortress of Chapultepec was stormed and taken, and, once the American forces were in possession of this commanding point, resistance practically ceased. Among the defenders of Chapultepec were the students of the National Military Academy, and their heroic resistance, fighting until every boy was killed or wounded, shines as brightly to-day as it did three quarters of a century ago. By a treaty signed

on February 2nd, 1848, Mexico ceded to the United States Texas, New Mexico and California, received fifteen million pesos of indemnity, and was released from various American claims amounting to three million pesos.

For seven years following the war with the United States Mexico was ruled, or misruled, under the dictatorship, direct or indirect, of Santa Anna. Public opinion became so strong that Santa Anna finally fled to Havana, and his departure was followed by three years of more or less chaotic conditions, with three or four insurrections and turnovers.

In 1858 Benito Juarez, President of the Supreme Court, came into the presidency by succession. His government was bitterly opposed by the conservative party, and a new revolution broke out. Most of the time during the next three years the conservative government was in control of the capital, but the state of its affairs is indicated by the fact that, to obtain a loan of one million pesos from a Swiss banking house it was obliged to give fifteen million pesos in bonds, secured by twenty per cent. of all national revenues. The Juarez government, after three years of fighting, finally overthrew the government in power. Juarez, who was of pure Indian blood, was a lawyer of distinction and a man of constructive ability. He was, however, surrounded by minor leaders who had their own interests at heart more than those of the nation, and many of the reform measures put through under a new constitution were nullified by arbitrary acts of ambitious individuals. The church and state were separated, freedom of religious thought guaranteed, and civil marriage established. Church lands were transferred to the Nation, but in the confusion of the time the best of them passed into the possession of party leaders and their

friends. Juarez had barely established himself in the capital when another insurrection started, headed by three conservative leaders, and there followed seven months of fighting before the government was in full control of the country. Meanwhile, the treasury had been emptied by military expenditures, and the government issued a decree suspending, for two years, payments on its national and foreign obligations.

The suspension of payments brought forth vigorous protests from England, France and Spain, and finally resulted in negotiations between these countries for united action against Mexico. France's claims were entirely commercial, and were partly stimulated by an interest held by Napoleon III's minister in the Swiss loan made to the Conservative government. England, aside from commercial claims, was piqued by the fact that the conservative government had seized 600,000 pesos belonging to the British legation. Spain had some commercial claims, and a claim for the assassination of twenty-five Spanish subjects, who had been attacked by bandits. Spain, moreover, was irritated by the fact that the Spanish minister had been given his passport as a persona non grata because of his open support of the conservative party. A convention was signed in London for a joint expedition, but it was agreed that action should be confined to seizure of ports and other methods to secure proper guarantees for the future. A Spanish fleet arrived at Vera Cruz on the 29th of November, 1861, and the city, having been evacuated by the Mexicans, was occupied a few days later. On January 7, a combined British and French fleet arrived, and the following day an ultimatum was sent to the Mexican government setting forth the respective claims and demands of the three governments. There was no unity of action, however. The British and Spanish declined

to support the French plan of establishing a monarchy in Mexico, and took little part in subsequent proceedings. Negotiations with the Mexican government came to nothing. The Mexican representatives at a conference protested, in vain, that the various acts complained of were not those of the constituted Mexican government but were the acts of usurpers and bandits, and that the only act for which the constituted government was responsible, the suspension of payments, was due solely to the inability of the government to pay. The French forces, meanwhile, had been greatly increased in number by the arrival in March of a large convoy, and the British and Spanish representatives, seeing that France was bent on seizure of the country and the establishment of a monarchy, declared the convention signed in London null and void, and refused to take any further part in the affair. France, which had the least legitimate claims, was thus left alone to carry out Louis Napoleon's ambitious plan of a French-controlled Mexican empire with Archduke Maximilian of Austria as Emperor. Negotiations of the French with the Mexicans were of a perfunctory character. The French, determined on a permanent occupation of Mexico, would listen to no proposals, and started to advance with six thousand men on the capital. Their commander had, however, underestimated the fighting qualities of the Mexicans, and was obliged, after some heavy fighting, to entrench himself at Orizaba and await reënforcements. In September Field Marshal Forey arrived at Vera Cruz with 31,000 men, and after some months of delay he started, at the head of an army of 36,000 men, for the capital. The Mexican army of 20,000 men, poorly equipped and badly provisioned, had gathered at Puebla to make a stand against the invader. Forey laid siege to Puebla and entirely cut off

supplies, so that the Mexicans, after 62 days of siege, were obliged to surrender. Further resistance was impossible, and the French army entered the capital on June 7, 1863, after Juarez and his ministers had withdrawn to San Luis Potosi. The French, to give a semblance of legality to proceedings, ordered the formation of a junta of thirty-five Mexicans, to be named by the French minister, the junta to elect three Mexicans to provisionally govern and to name a council of 215 members to establish the permanent form of government. The council was composed of conservatives and clericals who were tools of the French, and within a month proclaimed Mexico to be a constitutional and hereditary monarchy, with a Catholic monarch with the title of Emperor, the latter to be Maximilian, or, in the event of his declining, to be some one named by Napoleon III. In pursuance of this program Maximilian was named Emperor, accepted the position and came to Mexico with the Empress Carlotta, arriving at the capital on June 12, 1864.

The French invasion did not have the support of England or Spain. The United States made emphatic protest, but the American government, then occupied with a civil war, was in no position to back up its position. The French public took little interest. Maximilian, left largely to rule the country as he pleased, plunged the government into heavy debts, partly through court extravagance, partly through recognition of French claims and partly through heavy military expenditures. The French claims recognized totaled 173,000,000 pesos, including 23,000,000 for transport of troops, 74,000,000 for war expenses, 9,000,000 for foreign legion expenses, 18,000,000 for the use of the French army, 15,000,000 to cover the Swiss loan, 15,000,000 for miscellaneous claims, and 19,000,000 for interest —

and all this against a country whose bankruptcy precipitated the war! The emperor received a salary of a million pesos a year, an annual grant of two hundred thousand was made to the Empress, and a brilliant court was maintained at great expense. The great extravagance aroused much ill-feeling among the Mexicans and in a large measure alienated the support of the conservatives, who had at first given hearty support to the empire. It inspired the republicans to continuous effort to drive out the invaders, and Maximilian had hardly arrived in Mexico before he was confronted with formidable fighting in three or four sections of the country. He was, in consequence, obliged to maintain an army of 63,000 men, 28,000 of them French, 6,000 Austrian Volunteers, 1,300 Belgians and the balance Mexican conservatives and imperialists. Harsh measures were resorted to in the hope of stifling the revolutionary movement, a decree being signed in October, 1865, providing the death penalty for any prisoners taken in action against the government. Large bodies of troops were sent North, South and West to crush republican leaders and their troops. The situation was complicated by the fact that many of the republican troops were undisciplined and in several cases led by men who were bandits first and patriots second, resulting in the commission of serious excesses which, in turn, justified drastic measures. Reprisals followed reprisals until the war became one of extermination. Towns and plantations were burned by the imperialists, civilians suspected of republican sympathies were shot, and, in general, a ruthless campaign was waged to stamp out every republican tendency. On the other hand, the republican forces, frequently only large bands of guerillas, lived for the most part by pillage and plunder, wreaking vengeance on any one who opposed their operations.

Meanwhile Juarez, at Paso del Norte, maintained the nucleus of a government, exercised, so far as possible, a control over the various leaders, and endeavored to push something like a military campaign.

In 1864 the Empire borrowed, in London and Paris, forty million dollars, the loan being at 6 per cent. but being sold to the financial houses at 37 per cent. discount, the annual charge therefore being practically ten per cent. In the year following fifty million dollars of 6 per cent. bonds were sold in Paris at 32 per cent. discount, calling for practically 9 per cent. interest. In each case a portion or all of the interest was discounted, and a large part of the proceeds was used to satisfy outstanding French claims, so that the government finally realized less than five million dollars in cash from the financing. The loans had hardly been concluded before the government was again in difficulties.

The government's troubles were now increased by events abroad. The United States, in December, 1865, made an energetic protest to France against the intervention in Mexico. A few months later Prussia's victory over Austria created a new menace for France. In view of the possibility of trouble with the United States, and to better prepare France against possible attack by Prussia, Napoleon decided to abandon the Mexican Empire to its own fate, and announced that the French troops would be withdrawn in 1867. Before this was known in Mexico the republican forces had been making much headway and had, at several points, won important victories in battles with the imperialist troops. The news that the French troops would be withdrawn gave them more confidence and stimulated them to further efforts, and, at the same time, it greatly discouraged the Mexican leaders and troops who had

joined the imperialist cause. Maximilian felt the hopelessness of victory without European support. He was inclined to abdicate, but the decision of a council of friends and ministers was against such a course. Fighting continued throughout the country, with the odds generally in favor of the Republican forces. Maximilian organized his army into three units or armies, the Northern, Central and Eastern, and attempted to push a swift campaign to end the revolution, but all in vain. In the fall of 1866 defeat followed defeat. The Republican cause, in spite of lack of money or disciplined forces, kept gaining headway. Colima and the surrounding country fell into Republican hands, Guadalajara followed, and General Porfirio Diaz defeated imperial forces and occupied Oaxaca. Again Maximilian thought of abdication, but, with the indecision characteristic in all his acts, decided to leave the matter to a council of leading imperialists. The council, composed of 35 men, met on January 17, 1867, and voted, 27 to 8, against abdication. Republican victories continued, Zacatecas, San Luis and Guanajuato falling by the end of the month. Maximilian left the capital for Queretaro to be in the center of military operations, and attempted, too late, to prevent the union of the Republican armies of the North and West. By the middle of March Queretaro was surrounded by the Republican forces numbering nearly 30,000 men. Marquez, one of Maximilian's generals, was sent to Mexico to bring the garrison of the capital to Queretaro in a desperate effort to break through the lines, but, instead of following instructions, he took the available forces and attempted, with them, to raise the siege of Puebla by General Diaz. The latter, learning of Marquez' intention, made a brilliant assault, carried the city and then turned his victorious army on Marquez, who, having

learned of Puebla's fall, had started back for the capital. On April 12 the siege of Mexico City by the Republican forces under Diaz was begun, and all hope of relief for Maximilian from this quarter ended. The besieged at Queretaro made several unsuccessful efforts to fight their way out, and, cut off from supplies, their situation grew desperate. On May 16 Maximilian surrendered, and, on delivering his sword, requested that his family be allowed to embark for Europe. He made a plea for his generals and leaders, saying that they had merely been following his orders and fortunes, and that he wished to be the only victim of the catastrophe. The Republican leaders called a court martial, under a law passed in 1862 providing the death penalty for all enemies of the Republic, and the court, meeting on June 14, condemned to death Maximilian and his two generals, Miramon and Mejia. In spite of the efforts of friends, of protests from representatives of other governments and of an appeal from the United States, the condemned men were shot on June 19, 1867, at Cerro de Las Campanas, near Queretaro. Maximilian's dream of a great Mexican empire was ended. Mexico City capitulated on June 20, and Vera Cruz eight days later. The war had been a bloody one, with losses in killed, wounded and prisoners, of 73,037 for the Republican forces and 12,209 for the Mexican Imperialists, while the French lost, in killed, nearly 25,000 men.

Juarez reëntered the capital on July 15, 1867. The country, after three years of revolution, was in a deplorable condition. Business was at a standstill, and the government had much difficulty in collecting taxes. The army, which had grown to large proportions, was now cut down to 20,000 men, and other measures were taken to bring down expenses. Some of the military

leaders were disaffected, and the Juarez government was hardly reëstablished before new revolts began to appear. Early in 1868 there was an uprising in Yucatan and another in Sinaloa, and General Negrete " pronounced " and seized Puebla. Other generals, in 1869, revolted San Luis Potosi and Zacatecas, and, obtaining a considerable following, soon had Central Mexico in an uproar. Another military leader, once defeated in Sinaloa, appeared suddenly at the port of Guaymas in a chartered boat carrying 120 men, seized the town and captured 5,000 rifles and 80,000 pesos and made good his escape, only to have his boat sunk later. In May, 1871, the military " pronounced " in Tampico, and held the town twenty days against the government forces sent to put down the incipient insurrection. While the various uprisings were, in each case, put down, there was sufficient disorder to cause dissatisfaction, and to furnish an excuse for ambitious military leaders to declare for some new change. Juarez was reëlected President in the Fall of 1871, and almost immediately the validity of the election was attacked by a group of military leaders who proposed the " plan de Noria " for the suspension of constitutional order and the calling of a junta or commission to reorganize the country. The Juarez forces, after two or three engagements, put down opposition, and the country entered on a brief period of much needed peace. Juarez was making good progress in the rebuilding of the government and the development of the country when he was stricken by heart trouble, dying on the 18th of July, 1872. Juarez, while not a great man, was a thorough patriot and devoted to the welfare of his country, giving it the first taste of a government not dominated by selfish and personal motives. His death was deeply mourned by the people, and his name has gone down in Mexican

history as the father of constitutional government of the country.

Juarez was succeeded by Sebastian Lerdo, President of the Supreme Court, who continued the policy of Juarez and enforced the provisions of the constitution covering a separation of church and state and prohibiting religious orders from acquiring lands. During Lerdo's régime Lozada, an Indian bandit from Tepic, led a force of eight thousand men to attack Guadalajara. He was defeated by government forces, captured and executed, and the country, for some time, lived in peace. Lerdo was a candidate for reëlection, and was declared the winner in an election which was generally known to have been fraudulent. Opposition to his reelection was led by Porfirio Diaz, who, taking advantage of a denouncement by the President of the Supreme Court of the illegality of the proceedings, seized the reins of government on November 26, 1876. In May following General Diaz was duly elected president, for the term ending in November, 1880, and on a platform opposing reëlection. In accordance with this platform, General Diaz was not a candidate for reëlection in 1880, Manuel Gonzalez occupying the chair for four years, but his rule of Mexico was practically continuous from 1876 until 1911.

CHAPTER IX

PORFIRIO DIAZ

So much has been written of this remarkable man that it would be useless to attempt more in these pages than a bare outline of his character and motives. To the foreigner he has been pictured as the greatest man produced by Latin America; to the Mexican he was, for a third of a century, a symbol of power; to the sociologist he appears as a despot. He has been lauded as few other rulers ever have been, and he has, during the past seven years, been as cordially abused. Born of Indian parents and of pure Indian blood, his origin was most modest; from young manhood to old age he was an aristocrat par excellence. He received a military training, and his rule, through many years, was a rule based on military strength. A man born of the people, he had contempt for the people; knowing his own people, he built up for them a paternal form of government which fell of its own weight; a great man in force, in decision, in organization, he fell short of greatness in his failure to recognize the inherent weakness of the system he developed; a statesman in foreign relations, he failed to even start his own country on sound political lines of thought; honest, he failed to realize or to stop the abuses of his own supporters; a patriot in desiring the development of the riches of the country, he failed to realize that no development can be real where the mass of people fail to move forward in life, liberty and the pursuit of happiness; in brief,

his greatness was that of a military leader, and his policy that of a feudal lord.

The subsequent political upheaval was so directly due to conditions prevailing in Mexico that it is necessary to make some detailed analysis of the course of events during General Diaz' régime. Diaz was a born leader, and his first experience was with wild and undisciplined troops. Everything in his military career tended to make him think in units of force rather than to consider the individual. The country, when he came into power, was suffering from the effects of years of misrule by unscrupulous dictators and from a four years' war to throw out a foreign invader. The government was bankrupt, there was no business, plantations had been ruined during the civil strife following the empire, people were starving, and leaders and troops were apt, at any moment, to start new troubles. Nothing but forceful, drastic and quick action would convince every one that further upheavals would not be permitted. At the first sign of any revolt, therefore, there was swift vengeance — so swift and ruthless that an indelible memory of it was left in the neighborhood. The country was full of bandits, who, roaming in small bands, had been able to dodge half hearted troops and to loot at pleasure. A war of extermination was begun on the bandits, and, after it had been carried far enough to satisfy them that, sooner or later, they would all be lined up and shot, their leaders were given a chance to enroll, with their men, in a well paid and well disciplined rural police force to keep the country districts safe — with the stone wall and firing squad as an option. They enrolled — and, from this beginning there developed a magnificent force, the "rurales," which, for riding and fighting qualities, has not often been excelled. Force, more force, ruthless force, sudden

annihilation — these soon began to whip the country into shape.

Diaz, knowing the incapacity of the average Indian for self-government, devised a political system well suited, theoretically, for the needs of the people. Each community had a jefe politico, or political chief, responsible to the state governor. The jefe was, practically, "the whole works" in his district. He gave the Indians advice, helped settle their disputes, collected the taxes, and was, in many respects, what the tribal chiefs had formerly been, with the important distinction that the tribes or communities had no voice in his selection. The plan, in its inception, was not vicious, and was, in many ways, well suited to the communities. A good political jefe was almost a father to the peon, who, with his childlike nature, wants some one to take his troubles to. To carry out a general scheme of reorganization it was essential to have no opposition in congress, and, in the selection of candidates, the jefe politico was particularly useful to the government, as he was always in a position to say how many votes had been cast for the government candidate in his district. Under this system elections were manifestly a farce — if, indeed, anything like an election was attempted. Ballot-box stuffing was unnecessary because the polling booth was usually at the jefatura — the jefe's office — and no one voted unless asked to do so. In view of the ignorance of the people these strong-arm methods, considered from the viewpoint of the government, were fully justified.

The next great move was to get some industrial development. Nothing much could be done without railroads, which, moreover, would be useful for military operations in case of trouble. A railway had been built to Puebla in 1869, and the line to Vera Cruz opened

three years later. The government, anxious to cover the country with a network of roads, was confronted with a big problem. There was no capital in the country for the work, and foreign capital, looking over the years of political troubles in Mexico, was timid. The government did not own great stretches of land which it could offer as compensation for the financial risk, and it was obliged, to interest capital, to make very liberal concessions, grant high tariffs and exemptions from taxes. Even these inducements were insufficient, and resort had to be had to heavy subsidies, guaranteed, in most cases, by a portion of custom house revenues.

We are apt, in looking back half a century, to judge events by present day standards, and to ignore conditions as then existing. American politicians set up a hue and cry over the great "steal" of the railroads in the land grants given them to build Western roads — grants which, as a matter of fact, had no tangible value and only a small potential value even with the development of transportation. In the early fifties a private company undertook the construction of canal and locks on the St. Mary's River at Sault Ste. Marie, Michigan, and, not having the funds to complete the work, appealed to the state for aid. Michigan was money poor and land rich, and responded, not with cash, but with a vast grant of land. Certain mineral lands included in the grant now yield the canal company an annual income equal to the total amount of the subsidy asked, — and the arrangement has been called a "steal." So with many of the early Mexican concessions. With need for development, with no credit, the government made the best bargains it could. Little by little railways began to push out from the capital, North, South and West. With the opening of railways other industry became possible, but in its efforts to foster new lines

of economic activity the government often went too far. Cotton was produced throughout the country in considerable quantities, and to increase this production and stimulate manufacturing, liberal concessions were given under guarantees to put prohibitive duties on imported manufactured cotton. The net result of some of these concessions was to develop an artificial industry, but, at the same time, to greatly increase the cost to the consumer. Cotton goods, used by all the people, cost double their former price, and, while cotton planters and spinners reaped some benefits, the loss was greater than the gain.

In spite of mistakes, Mexico slowly but surely pressed forward. It was not all easy going. The people, crushed under slavery for centuries, lacked initiative. There was no considerable amount of native capital. The railroad problem, with a small traffic in sparsely settled regions, was not an easy one, more frequently yielding deficits than profits. But Mexico is rich in the products of the soil, and, given peace, cannot fail to prosper even under adverse conditions. New mining districts opened up along the railways, and old districts, abandoned for lack of rich ores, became, under the stimulus of transportation, large shippers of low grade ores. Agricultural activity became greater, and new factories opened. All this meant more work, more money in circulation, and increased government revenues. Gradually the economic situation became more stable, and with this stability there was a steady improvement in the strength of the government. In the first fifty years of independence there had never been such a thing as national credit. The foreign loans and credits obtained by Maximilian were based rather on French than Mexican support, and these credits, on the downfall of the Empire, became a burden rather

than a help. The first ten years of Diaz' rule were, therefore, accompanied by continuous difficulty in attempting to place the government on a sound financial basis. Some money had been obtained in England, and there were certain English debts in connection with the various railway guarantees. There were, also, a large amount of French claims pressing. Due to the general improvement in the situation the government was able, in 1887, to float, in Berlin, a loan of somewhat more than fifty million dollars, half of which was used to reduce British and French claims and the balance for domestic needs and government expenses. From this time forward there was comparatively little difficulty in financing. The Banco Nacional, established in 1882 by a combination of French, Spanish and government capital, had grown to be a strong institution and was able to take care of the currency needs of the nation under a concession (similar to the provisions of the Federal Reserve Banking Act) which permitted it to issue its notes against fifty per cent. cash reserves and fifty per cent. commercial paper discounted for other banks. Various state banks also issued notes under state concessions. The value of the peso, fixed at 49.6 cents, was stable, the banks prospered, and by 1893 government credit was well established both at home and abroad.

During this time necessary changes were made in the laws to permit the reëlection of the president. In 1882 the constitution had been changed to provide for succession of the presidency to the president of the senate instead of the president of the Supreme Court, and this was now changed to have the presidency pass, in case of death or disability, to a member of the cabinet, in a certain order of priority. The government was well settled, and hereafter was to be a close corporation.

CHAPTER X

THE CIENTIFICOS

Up to this point there seems to have been little reason to find fault with the Diaz government, and much reason to praise it. During Gonzalez' terms as President some of the people in the administration acquired either a direct or speculative interest in a large amount of English owned Mexican bonds, then selling at a fraction of their par value, and the administration attempted, unsuccessfully, to force through legislation which was designed to secure redemption of the bonds at par. As the Gonzalez government was, in personnel, composed largely of Diaz adherents, this could, in a measure, be counted against Diaz. There were minor claims of abuses, particularly regarding land questions. On the whole, however, there was little criticism. Every one recognized, moreover, that Mexico, for the first time since its independence was declared, had a stable government, and that national credit and finance were in fair or even good shape. Brigandage had been exterminated. Foreign capital was beginning to seek a field in Mexico. Diaz was a dictator, but there was no indication that he was greatly enriching himself by abuse of his power.

Just when a change began to be felt is uncertain. Whether there was any change in policy is also uncertain, and it seems more likely that the change, such as it was, was gradual, and that perhaps, or even probably, those in power were not conscious of any change. The

government, nominally of a democratic character, was really an oligarchy, self perpetuating, legalized by a constitution, supported by a congress. It was rather a system than a political organization. It was in no sense the product of party politics, for politics, as such, barely existed. It was a big machine, controlled by one strong man, who, with a few friends and advisers, proposed to attend to the administration and politics of the whole country. The machine had some big wheels in the various government departments, army, public works, industries, interior, and the like. Congress was a side machine whose chief function was to put everything in legal form. In each state was a machine, with a governor and a legislature, and working as part of the state machine were the jefe politicos, or local chiefs. It was "boss rule" of a highly scientific type, and had a great advantage over American "boss rule" in that there was no opposition. In fact, opposition was not wanted, and if any signs of it developed as much of the machine as necessary was set to work to grind it out of existence.

It has frequently been said that the rule of Diaz was really the rule of the rich class, but this was hardly the case. In Mexico the rich class had not often been active in government matters. It had been more than willing to be left alone. It had wanted a government which would preserve order, be lenient as to taxes, and keep the native Indian in his proper position. Diaz ruled with an iron hand, and the rich class gave him such moral support as he wanted. The Government was not, however, one organized by the rich element, but rather one which that element was glad to support. Directly this class (excepting a few immediately associated with the government) took no interest in public affairs. It paid its taxes and encouraged the church

to support the government, and in return enjoyed public order and received support — rurales or troops when necessary. In the end it amounted to almost the same thing as if the rich class had been the government itself. The rich class could not get along without a strong power in control, while the government, receiving revenues and support from that class, could afford to be very "easy" with it. The two, therefore, came to be hand-in-glove. The only reason for making this distinction and relationship clear is to emphasize the fact that, had the government been one actively participated in by the rich class, it would doubtless have been careful not to let abuses become so grave as to threaten its existence. The situation has had many parallels in American politics in cases where corrupt boss or party machines have been built up, not by or even with the connivance of the wealthy class but rather because of the indolence and indifference of that class, which, in paying for a certain amount of protection, has only paved the way for further excesses and abuses of power. The Diaz government doubtless never deliberately started out to abuse its power. Diaz was a born leader who soon found that with a few able men with him he could absolutely dominate the country. He loved power for power's sake, and proceeded to build up a machine that would run the government — and keep him in power. Then some one discovered that the machine, while grinding out government business, could grind personal axes as well. More axes were brought in by others in the circle, and now and then some friend had an ax to grind, so that before long the machine was doing a lot of work for which it was not designed.

The "Cientificos" (scientists from the "scientific" scheme of government), were those who were in the inner circle or who, acting with government people,

derived benefit from various government legislation, public works, concessions, contracts, etc. The real "Cientifico" group was quite small and was composed of men who handled government contracts, certain bankers, a few large landowners, and a number of men in active politics. Properly speaking, there were probably not over fifty "Cientificos"—a close political-financial ring which had, however, extensive ramifications. The revolutionary party, since it came in power, has, in a vague way, extended the term to apply to many who were not properly in the ring. In other words, many who inherited wealth or who indirectly derived benefit from the prevailing conditions have been credited with being "Cientificos" when, as a matter of fact, they took no interest whatever in political matters and had no hand in the deals put through. In the eyes of many of those identified with the revolutionary party the mere possession of wealth was evidence of guilty participation in the corruption of politics. There were, as pointed out before, a large number of landowners who acquiesced in the government's methods of doing business, and gave it moral support, receiving, in return, "protection" of one sort or another. Many of these derived much direct or indirect benefit under the general political scheme, but they were not in most cases in any way responsible for the conditions.

Another class which derived certain benefits under the system were the salaried employees of the government. Many of these men were conscientious and efficient public servants who received only moderate pay, and whose interest consisted, aside from the direct question of pay, in holding responsible and permanent positions. While it is true that some government officials used their positions to enrich themselves, there were many who were above any suspicion in all their dealings. Contrary to

the prevailing general impression, there was little graft in public offices. Public utility corporations, for instance, rarely had to pay out money to get things done. There were some remarkable cases of efficient and honest administration. The great waterworks system, constructed to bring water from Xochimilco to Mexico City, was built by the government, and is as fine an example of engineering work as is to be found on the continent. The size of the work involved, in spite of economical administration, the expenditure of many millions of dollars. The engineer who designed and carried out the construction of the work from beginning to end retired from office, on the change of administration, practically penniless. The last director of public works in Mexico City under Diaz, occupying a position affording vast opportunities for graft in dealing with public service and other corporations, was obliged, when forced out of office by the changed order of things, to seek a modest clerkship in New York. Some governors, even, were left in comparative poverty when they lost their positions. For the honest and efficient government official the political turnover was a disaster, as the mere fact of his having been employed under the old régime was sufficient to condemn him.

Before examining the operations of the "Cientificos" it is worth while to outline the way the government was run and to explain its relations to foreign capital, concessions, and the like. Such graft as existed was "higher up," and the government departments were, as a whole, honestly conducted. When viewed from the standpoint of an efficiency expert, government departments, the world over, can hardly be called efficient, and the Mexican departments were scarcely an exception to the rule. Nevertheless, they were conducted with regularity, and business was trans-

acted with reasonable speed and, generally speaking, with great accuracy. Governmental practice in Mexico follows the French scheme, both being based, primarily, on the Roman legal code, and, latterly, on the code Napoleon. Under this practice every government or private act, especially as to contractual relations, is provided for by the code, the functions of courts being rather to determine questions of fact than those of equity. The general tendency, therefore, is that much more detail is covered, specifically, in government contracts and concessions than is the case in the United States and other countries which, in government practice, follow the English common law scheme. In all Mexican concessions covering public utilities, for instance, the exact duties, obligations and rights of a company are specified with a minuteness which is rarely found in American franchises. In the United States franchise terms have frequently been of a general character, and in many states there were specific laws permitting the organization, under such laws, of telephone, electric light and power, interurban railway and other companies performing public services, the companies being free to establish their own rates and regulations. Only, in fact, within the past ten or twelve years has there been, in the United States, any general movement, through the creation of public service commissions, to regulate public service corporations in their relations with the public. In Mexico for many years all concessions of this character have been very explicit as to tariffs and details of operation, and the provisions, in general, have safeguarded the interests of the public. It is true that liberal concessions were granted to attract capital, and doubtless, in view of the results obtained, some of the provisions of concessions were more liberal than they should have been. In many cases

practical exemption from taxes was granted, and, while such a provision may have been necessary during a short period while the business in question was in process of development, it was scarcely fair to the public that such exemption should have been granted, as was done in many cases, for a long term of years. Some of the largest concerns in Mexico have, as a result of this sort of policy, what amounts to entire exemption from taxes for terms varying from twenty-five to ninety-nine years. In justification of the policy it may be said, however, that it was not an easy matter to interest capital in Mexico, especially as, contemporaneous with development in Mexico, there was a world-wide movement in railway, electric power and other public utility construction — a movement on such a large scale as to absorb all capital available for this class of investment. Irrigation works in India, railway and other public utility developments in the Argentine, Brazil, Chili, China, India, Egypt and South Africa, were all bidding for money, and offering very liberal conditions. American railways were being consolidated, great power plants were being built, and Canada was absorbing a vast amount of capital in her Western development. The great world-wide movement in foreign investments, begun in the early 'nineties, was in full sway, and Mexico was in competition with a dozen other nations which were in the market. She was, in a measure, forced to offer good terms or keep out of the market.

Much money was, of course, made out of the disposition of concessions, which were duly turned into cash, or its equivalent in stocks and bonds of companies organized. The impression as to the proportion of such profits to the actual investment involved has, however, been a greatly exaggerated one, both in the United States and in Mexico. There is a general impression

that the Mexican public was shamefully exploited by foreign speculators and promoters, and that this exploitation was carried on by collusion with the group which dominated government affairs. The facts do not justify this impression, except, perhaps, in a few cases. There were, to be sure, promotion profits, but without these no one would have undertaken to have raised the money for the different enterprises. So far as public utilities was concerned, the promotion profits in various undertakings were proportionately smaller than those made in corresponding American enterprises. In general, it is safe to say that the net benefits to capital invested were, due to many unknown factors in an untried field, smaller than those derived from corresponding investment in the United States, Canada, the Argentine and other countries in which economic conditions were better understood. The grossly exaggerated idea of profits made by various concerns has been of the greatest possible detriment through the creation of a generally hostile attitude toward investments already made and through the discouragement of any further inversion of capital in the country.

CHAPTER XI

SOCIAL CONDITIONS

In the early day of the Diaz government there was, seemingly, little complaint of abuse of power, and members of the government circle did not, apparently, make much profit out of concessions granted. The government was genuinely anxious to have a great development of the natural resources of the country, and any one willing to undertake something which gave promise of constructive value could obtain the necessary concession or contract. Viewed in the light of subsequent events, and judged by standards established at later periods, it seems as if the government, in its anxiety to place the nation on a par with other nations in the program of internal development, devoted an undue proportion of attention to making such development attractive to capital, and not sufficient to the real needs of the people. It probably felt that the stimulation of industry itself would be sufficient. Doubtless personal interest played some part, but, broadly speaking, the motives back of the program were good. General Diaz, at the end of a rule of thirty-five years, had, according to common report, a fortune of three-quarters of a million dollars — an accumulation at an average rate of twenty-five thousand dollars per year. Had his motives been purely selfish he could easily have built up a fortune of many millions. He doubtless believed that a form of benevolent dictatorship was best suited to the country's needs. To give the country such a government he needed the

aid of a few strong men, and to have the continued support of such men he was willing that they should receive some tangible benefits.

The whole scheme was sound enough, and honest enough, in the beginning, but little by little selfish interests began to play a more important part in affairs. The government was intended to be a paternal one, but bit by bit it became more personal and less paternal. It was a great machine, built up and run by one man, and operating in every nook and corner of the country. Governors and jefe politicos, even if honest and unselfish themselves, gradually came more and more under its influence, and became more and more subservient to the wealthy class whose support gave it power.

As has been pointed out, Spanish rule in Mexico was designed for the Spaniards, and the wealthy class was exclusively Spanish. The native Indian, except as a unit of labor, had no participation in the general scheme of things. This condition was not materially changed by independence, for at no time had the masses advanced sufficiently to exercise any political influence. As Mexico had always been, primarily, an agricultural country, the landholding class had always dominated socially and financially, and indirectly politically. No important middle class existed. Lawyers, doctors, tradespeople and others who composed the middle class, were dependent, almost entirely, on the rich class, and were content to cast their lot with it. The Church in Mexico had never developed on the broad lines along which it has grown in the United States, and its position was much like that of the church in Europe during the Middle Ages — extremely conservative, narrow in its views, a check on social development. Consequently there were few people of the educated class who had any interest in making protests if abuses grew out

of the scheme of things, and the great mass of people, accustomed, through four centuries of practical slavery, to bear their burdens in silence, neither would nor could make any effort to right any wrongs.

It is manifestly unfair to assume in studying social conditions that all people of one class are actuated by the same motives, or that, for instance, all members of the property-holding class in Mexico were banded together for the purpose of keeping the Indians in a submerged condition. There were many large estate holders who were humane in the treatment of their labor, just as there were, in the South, many slave holders who were kind to their slaves and who, by their daily lives, proved that they were actuated by the best motives. There were, in Mexico, many thousands of Indians, probably a majority of all the natives, who were contented and who no more wanted a change than the majority of Southern slaves wanted freedom. They were used to the life as they lived it and as their forebears had lived it for centuries, knew of no other life, nor could, in their ignorance, conceive of any other life. The whole system, however, was wrong. For many years there had existed a system of peonage under which no one was free to leave if he owed his employer money, and, as the estates all maintained stores to sell supplies to the laborers, the latter were always in debt. They could, then, only leave if their employer sold his claims to some one else, when they automatically came under the control of the new creditor. This system had, from time to time, been fearfully abused, the peons, where there was any surplus, being farmed out to work in Yucatan or in other sections which needed labor. While this form of slavery had been legally abolished, the poor peon, as he continued to be called, was, in effect, as much of a slave as ever. Born on an estate, he stayed

there through force of circumstances. Education was, for all practical purposes, out of the question. With wages 40 and 50 centavos per day (20 and 25 cents) no man could afford to put his children in school, even if a school were within reach, which was rare. Every child became a worker as soon as he had strength enough to do anything. If there were more laborers than necessary, some labor agent would come along and take groups of families to work on plantations in regions where the death rate demanded a constant renewal of labor supply.

Frequently the peon, finding no work in the neighborhood, would start across country on foot, taking his family and household possessions with him. It has always been a pathetic sight to see these Indians on the move — the father carrying, on his back, a bundle holding all the family possessions — one or two blankets, a kettle, a couple of pans and one or two bits of pottery; — one or two tots, wearing shirts which had once been white, toddling along; the mother, with her youngest swung in a shawl on her back, pattering along in short, dog-like steps; all silent, pushing forward with no particular objective save a general idea of finding work; stopping at the first stream to make a bush fire and cook a few corn cakes for a meal; rolling up together, under the stars, for the night — and on again the next day. Travel on any road in Mexico and you keep meeting, out in the open country, group after group like this, until you become hopelessly depressed. Fortunately, they are used to it, and take everything as a matter of fact. When you greet them you will always receive a pleasant "buenos dias, señor," in reply, and the women will usually show their teeth as they smile. But the children, poor things, are always solemn. It is the way of Mexican children. Their

expressive brown eyes gaze at you solemnly, somewhat shyly, and you never know whether they are happy or hungry. One of the things that always strikes the stranger in Mexico is that the children never seem to play. They stand or sit in doorways like a part of the fixed stage settings, half naked, dirty, silent.

These wandering and homeless people are in evidence everywhere. In the large cities the railway stations afford a convenient shelter at night. In Mexico City the last trains leave around nine o'clock in the evening, and soon after that hour waiting-rooms, corridors and platforms fill up with homeless people, usually from the country, who, packed together on the floor, sleep undisturbed until the station resumes its activities shortly before the departure of early morning trains. Even in the days of Mexico's greatest prosperity railway stations were always packed at night — packed knee-deep with men, women, children and bundles, the whole mass usually looking more like a huge pile of rags than a collection of human beings. Any disturbance in industrial or economic conditions was always followed by a great increase in the number of homeless people. A drouth in an agricultural region, the closing down of a mining camp, the suspension of work in a cotton mill town — and hundreds or thousands of people would start wandering around the country.

In the rural districts each large hacienda (plantation farm or ranch) is a community by itself. There are the principal hacienda buildings, with residence, office, chapel, store, barns and warehouses around a large courtyard, the whole enclosed by a high wall. Clustering around this group of buildings are numerous adobe houses, often no more than huts, for the laborers. The houses are usually one-room affairs, with a kitchen-shed in the rear, and the living-room is merely a shelter

in which the family sleep. In the poorer class of houses beds are unknown, and the only furniture is a table, one or two benches, and two or three reed-mats on which to sleep. Very frequently there is a sort of an open fireplace at one end of the room, all the family cooking being done in the living-room. Clothes-washing is done in the nearest stream. One of the most familiar sights from railway trains in Mexico is that of a seemingly endless number of women scattered along the beds of streams near the large cities, all scrubbing and rubbing dripping clothes on smooth boulders. In many of the large cities public wash houses have been provided, but their capacity is limited, and the bulk of the population has to depend on stream washing.

The homes of the laboring classes in the large cities are somewhat more substantial, and, viewed from the street, present a solid and comfortable appearance. Furnishings are scant, and general arrangements are as simple as those in houses in the rural districts. Crowding among the poor is worse in the large cities, a single room frequently being used as sleeping quarters for ten or twelve people.

The Mexican peon wastes little on clothes. In the country he wears a white cotton blouse and white cotton trousers, somewhat resembling a loose suit of pajamas, a pair of sandals made of rope or leather, and a straw sombrero. In the cities he wears a jumper and overalls of heavy cotton, plus sandals and sombrero. Underwear, except with the higher class of labor, is unknown. The sole protection against cold is the zarape, a large heavy woolen blanket, usually bright in colors, in which the peon muffles himself up to his eyes.

Climatic conditions, fortunately, favor the simple life. In the tierra caliente, or hot country, it is hot,

even at night, save when a "norther" blows. In the tierra templada, or temperate country, little clothing is needed, although chilly and even raw weather is experienced during a norther, sometimes for a week running. On the Mexican plateau, however, with eight thousand feet of elevation, the nights are always cool, and the temperature drops below the freezing point in the winter. Mexico City all through the summer is cooler than New York or Chicago, and one always needs a blanket at night. In the winter the days are cool and the nights cold, but it is always dry, and the cold lacks the chill and penetration of the Atlantic Coast or Great Lakes regions. Besides, there is always brilliant sunshine. The peon is at least spared acute suffering from cold, and, brought up with no heat entering into his calculations, he probably feels such cold as there is less than his steam-heated neighbor from the north.

The marriage tie in Mexico is very loosely drawn. Conditions as to social and family relations are primitive rather than immoral. Charles Macomb Flandrau's "Viva Mexico!" which gives a vivid picture of life on a Mexican coffee plantation, makes clear the situation as to social relations. To quote from this entertaining book:

"The Mexicans are an excessively passionate people and their passions develop at an early age (I employ the words in a specific sense), not only because nature has so ordered it, but because, owing to the way in which they live — whole families, not to mention animals, in a small, one-roomed house — the elemental facts of life are known to them from the time they can see with their eyes and hear with their ears. For a Mexican child of seven or eight among the lower classes, there are no mysteries. Boys of fifteen have had their affairs with older women; boys of seventeen are usually strongly at-

tracted by some one person whom they would like to marry. And just at this interesting and important crisis the Church furnishes the spectator with one of its disappointing and somewhat gross exhibitions.

"It seems to have been proven that for people in general certain rigid social laws are a comfort and an aid to a higher, steadier standard of thought and life. In communities where such usages obtain, the ordinary person, in taking unto himself a wife, does so with a feeling of finality. On one's wedding day, but little thought is given, I fancy, to the legal loopholes of escape. It strikes one as strange, as wicked even, that a powerful Church (a Church moreover, that regards marriage as a sacrament) should deliberately place insuperable obstacles in the path of persons who for the time being, at least, have every desire to tread the straight and narrow way. This, to its shame, the Church in Mexico does.

"The only legally valid marriage ceremony in Mexico is the civil ceremony, but to a Mexican peon the civil ceremony means nothing whatever; he can't grasp its significance, and there is nothing in the prosaic, businesslike proceeding to touch his heart and stir his imagination. The only ceremony he recognizes is one conducted by a priest in a church. When he is married by a priest he believes himself to be married — which for moral and spiritual purposes is just as valuable as if he actually were. One would suppose that the Church would recognize this and encourage unions of more or less stability by making marriage inexpensive and easy. If it had the slightest desire to elevate the lower classes in Mexico from their frankly bestial attitude toward the marital relation — to inculcate ideas different and finer than those maintained by their chickens and their pigs — it could long since easily have done so. But quite simply

it has no such desire. In the morality of the masses it shows no interest. For performing the marriage ceremony it charges much more than poor people can pay without going into debt. Now and then they go into debt; more often they dispense with the ceremony. On my ranch, for instance, very few of the 'married' people are married. Almost every grown man lives with a woman who makes his tortillas and bears him children, and about some of these households there is an air of permanence and content. But with the death of mutual desire there is nothing that tends to turn the scale in favor of permanence; no sense of obligation, no respect for a vague authority higher and better than oneself, no adverse public opinion. Half an hour of ennui, or some one seen for a moment from a new point of view — and all is over. The man goes his way, the woman hers. The children, retaining their father's name, remain, as a rule, with the mother. And soon there is a new set of combinations. One woman who worked here had three small children — every one with a different surname; the name of its father. While here, she kept house with the mayordomo, who for no reason in particular had wearied of the wife he had married in church. No one thought it odd that she should have three children by different men, or that she should live with the mayordomo, or that the mayordomo should tire of his wife and live with her. As a matter of fact there was nothing odd about it. No one was doing wrong, no one was 'flying in the face of public opinion.' She and the three men who had successively deserted her, the mayordomo who found it convenient to form an alliance with her, and his wife, who betook herself to a neighboring ranch and annexed a boy of sixteen, were all simply living their lives in accordance with the promptings they had never been taught to re-

sist. It is not unusual to hear a mother, in a moment of irritation, exclaim, as she gives her child a slap, 'Hijo de quien sabe quien!' ('Child of who knows whom!') At an early age when they first fall in love they would, I think, almost always prefer to be married. But where get the ten pesos, without which the Church refuses to make them man and wife? The idea of saving and waiting is to them, of course, utterly preposterous. Why should it not be? What tangible advantage to them would there be in postponement? The Church, which has always been successful in developing and maintaining prejudices, could have developed, had it wished to, the strongest prejudice in favor of matrimony, and the permanence of the marriage tie. But it has not done so, and now, even when peons do have the religious ceremony performed, they do not consider it binding. After having gone to so much expense, they are not likely to separate so soon; but that is all. One of the men here has been married three or four times and on every occasion he has treated himself to a religious ceremony with quite a splendid dance afterwards. As he is a skilled mason who commands good wages and has no bad habits (except that of getting married every little while), he can afford it. He is a genial sort of creature and I think he enjoys having dinner parties. Sometimes he deserts his wives and sometimes they desert him. Of course I don't know, but I have an idea that to have been married to him at one time or another carries with it considerable prestige."

CHAPTER XII

HYGIENIC CONDITIONS

Alberto J. Pani, now Secretary of Industry in the Mexican cabinet, two years ago published a valuable work, "Hygiene in Mexico," which gives much interesting data on physical and hygienic conditions. In Mexico City the low and swampy land, with attending difficulties of drainage, helped to undermine public health. High winds, sweeping over the barren country around the capital, bring with them terrific dust storms which, gathering up the manure and accumulated filth of the streets, spread the germs of tuberculosis. The fearful crowding of people in the poorer classes breeds all contagious and infectious diseases. These factors, combined with under-feeding, result in a low state of vitality and a very high mortality rate. Señor Pani gives health statistics of various countries and of large cities, showing a mortality rate of 17.53 per 1000 in eighteen European cities of half a million population and a rate of 16 per thousand in eight American cities of about the same size, while the death rate in Mexico City is given at 42 per thousand. The death rate per thousand in Mexico City is three times that of Detroit and Cleveland. The only cities of corresponding size in the world which approach Mexico's figures are Madras, with 39, and Cairo, with 40, in both of which cholera is endemic and both of which suffer from extreme heat. Mexico City, at an elevation of over 7,000 feet above sea level, is, climatically, healthy, and, given proper conditions of housing and nourishment, should

have as low a death rate as any city in the world.

Señor Pani quotes Herve-Mangon and other authorities in showing that for the normal person rations should produce 4,200 calories of energy for very light work, 4,800 for ordinary work and 6,000 for heavy work, while the rations received by the Mexican peon class can only produce from 2,800 to 3,000 calories. Inevitably, the wearing away process goes on at a very rapid rate. This not only affects, immediately, the death rate, but undermines the vitality of the nation.

We are accustomed, in a general way, to talk of cheap labor in Mexico, without any conception of what the term implies. Señor Pani gives four examples of family earnings and expenses, any one of which, in a few words and figures, shows the scale of living. The case of Augustin Lopez, a gardener in the public gardens, is typical. Lopez, his wife and his mother live in one room, 12 feet long, 11 feet wide and 13 feet high. There are two couches for furniture, there are sufficient kitchen utensils, and the place is very clean. Water is obtained from a neighboring well, and there is a public wash house nearby. The family, weekly, spends the following amount (in pesos, with the peso at 50 cents, U. S. currency):

Corn	$1.04	
Beans	.48	
4.4 lbs. meat	.70	
Chile	.16	
Salt	.11	
Sugar	.11	
Wood and charcoal	.60	
Pulque	.42	$3.62
Rent		.50
Cotton cloth, etc.		.62
Soap		.25
Barber shop (once a month .30)		.07
		$5.06

Lopez earns .75 centavos daily, works seven days in the week, and, barring accident, earns $5.25 ($2.62 U. S. currency), so that, if nothing extraordinary happens and if he does not get wasteful or extravagant, his income leaves him 19 centavos to the good every week. If, through sickness, he misses a day, it takes him four weeks to catch up.

Marcelino Nievs, also a gardener, earns 68 centavos daily, and works six days, receiving a total of $4.08 ($2.04 cents). He lives with his wife and two children in one room formed by an adobe wall on one side and boards on the other three sides, no windows, one door, all cooking done with charcoal in the room. His weekly expenses are now 58 centavos more than his income. When he can get an extra day's work on Sundays he can break even. His only way of catching up is to cut down on food allowance and cut out any expense for clothes. He can do away with a weekly budget of 40 centavos (20 cents) for clothes, and by reducing his food bill 10 per cent. his income will cover his needs. With a total weekly allowance of $1.78 (U. S.) for two adults and two children, Marcelius could doubtless give some valuable pointers on food conservation and the empty garbage pail.

These are not exceptional cases. For many years gardeners and day laborers in general received 75 centavos a day. A peso a day was a rather high wage. Many of the workmen supported families with children too small to work. If one were to look for "hard luck" cases, it would have been easy to find men maintaining six or seven in a family on 75 centavos a day. Allowance, of course, must be made for the difference in the style of living, but it must also be remembered that food is not especially cheap in Mexico. Corn, the staple of the country, sold in normal times at 12 pesos a carga,

or about one dollar a bushel, as against a price of sixty to eighty cents per bushel (retail) in the United States. Figures quoted from Señor Pani's book refer to wages formerly prevailing. Present conditions will be dealt with in another chapter.

With two and a half million families having incomes of from 35 cents to 75 cents per day, social conditions in Mexico could not, by the wildest stretch of imagination, be considered as satisfactory. Life for the Mexican peon has, for years, even for centuries, been nothing more than existence, and a hand-to-mouth existence at that. Earnings have been barely sufficient for food and for the simplest sort of clothing. With the rents which peons have been able to pay nothing like sanitary arrangements could be provided. Disease and epidemics have been common. The peon could not afford doctor's bills, and medicines were out of the question. Education of children was necessarily limited to children not old enough to help increase the family income. During the Diaz régime considerable was done in the way of opening primary schools, and the percentage of illiteracy was somewhat reduced. There were, moreover, parochial schools which accomplished something. The school attendance was, however, small, even in the large cities, while in the rural districts schools were so far apart as to be out of reach for even the better class of laboring men.

CHAPTER XIII

AGRARIAN AND OTHER PROBLEMS

The land question in Mexico has for years been a serious one, and to-day presents very difficult problems. The Spanish made huge grants of land to people of influence or in reward for services to the crown, and these great estates in many cases have passed down intact, either through inheritance or through sale. The church, during the Spanish rule, acquired immense holdings, and, while the church was dispossessed under the reforms under Juarez, the holdings, by a series of manipulations, passed into private hands, usually in the shape of large estates. The tendency for years has been to increase the size of existing estates through the purchase of adjoining properties, involving, in each case, large transactions which only the very rich could handle. A large estate frequently owns all the land in a valley district, and the poor classes have rarely had an opportunity to become land owners. There are estates in Mexico which cover immense areas. Frequently one can ride hours on the train without leaving the limits of a property. We have no conception of what a large estate really is. There are, in Mexico, one hundred estates which are credited with over a hundred million acres of land, or, on the average, over a million acres each. The Terrazas estate, mainly in Chihuahua but lapping over into adjoining states, is said to contain 13,000,000 acres of land, more than twice the size of the State of Massachusetts.

In the State of Lower California, over 700 miles long and nearly 100 miles wide, with an area larger than Michigan, 78 per cent. of the lands belong to large companies. In this state the Mexican International Colonization Company, the Chartered Company of Lower California, the Adolfo Hulle Company and the California Land Company, Limited, all foreign concerns, hold a total of 26,070,000 acres of land, comprising an area of over 40,000 square miles, the first named leading with thirteen million four hundred thousand acres. The area owned by these four concerns equals, almost exactly, the total area of the state of Ohio. Throughout the Northern States very large properties are the rule. Between Saltillo and Zacatecas, 180 miles, all the land belongs to three estates. The Mexican Northwestern Railway owns a property of 3,600,000 acres, of which over three million acres are covered with pine,— the largest single tract of timber in the world. Farther south there are also some large properties. The railway travels for thirty leagues through the Escandon estate in Hidalgo. In the State of Tamaulipas there is a hacienda of 750,000 acres, of which more than half is tillable land but of which less than twenty thousand acres is cultivated. In the Tehuantepec country there are a number of timber grants of two hundred thousand acres or more. A census taken in 1910 shows that in the whole republic 880,000 square kilometers (550,000 square miles) of land belong to six thousand people, with an average holding of 58,000 acres. While it is true that large stretches of these lands, particularly in the North, are sterile, nevertheless the figures, as showing the concentration of lands in a relatively few hands, are startling. There are in Mexico about 11,000 of what may be classed as large properties — properties of 2,500 acres or more — as against 25,000 such properties

a hundred years ago. While, in other countries, the number of individual holdings has greatly increased, in Mexico the number of individual holdings has steadily decreased.

The concentration of lands in relatively few hands has naturally placed definite restrictions on opportunities open to the peon class for improvement of its position. In the first place, there was little or no land for sale in small pieces. Moreover, the peon had no money with which to buy, further reducing the probability or possibility of his becoming a landholder. Most important of all, the peon lacked education, knew nothing of farming except such knowledge as he gained from his own experience as a farm laborer — an experience of a mechanical sort in plowing, sowing and reaping — so that, even if the first two difficulties could be overcome, the odds were against his succeeding as a farmer. He remained, by force of circumstances, a laborer working under the same conditions as those which had prevailed for centuries. Technically free, he was really a slave to his surroundings, with great odds against his breaking loose.

The concentration of lands in large holdings had another effect on the general economic scheme through the curtailment of production. Whether in ranching country or on farm land, the probability of the land being used to the highest advantage is naturally reduced when the size of the property becomes so large as to make personal supervision impossible. On an estate of half a million acres anything like personal supervision by the owner was out of the question. The Mexican landholders have never been industrial organizers, and without an elaborate organization the very great estates could not be worked to capacity. The tendency was always to leave the management to an administrator, or agent, who cultivated such land as he could, himself, watch

over. Moreover, in earlier days the markets for farm products were, because of the transportation question, purely of a local character, and overproduction meant unprofitable prices. While railroad construction had somewhat altered the situation, the tariffs established were not calculated to make for a full development of agricultural resources. The general tendency, therefore, was toward a limited use of the soil. This had the double effect of avoiding any scarcity of labor, keeping down production cost, and of maintaining a high price for products, thus yielding the highest possible profit with the least possible expense and effort. This was, in all probability, more the result of established custom than of any deliberate policy on the part of the landholding class. As pointed out before, corn, the staple of the country, has, in normal times, sold for 12 pesos a carga (about six bushels), or about a dollar a bushel, in spite of farm wages rarely exceeding 40 cents a day.

With the general social and political conditions existing, it was almost inevitable that there would be abuses of power. The rich land-owning class used its influence for the maintenance of the existing order of things, and, in some cases at least, for the extension of its power. In some sections communal lands were seized, on one protest or another, and incorporated in large estates. The Yaqui Indians, living in the North, were dispossessed of lands they had held for centuries, and, on their revolting openly against the government, large numbers of them were deported to work on plantations in Campeche and Yucatan. In some districts the owners of the largest estates had no hesitation in seizing, on a flimsy pretext, any lands belonging to Indian communities, relying on "pull" with the jefe politico, governor, or higher authorities to win out in case of any opposition.

Where the local authorities were corrupt it was easy to put through unjust deals, and where they were honest it was always possible to bring strong pressure to keep them quiet.

Aside from the rural question there were many things calculated to irritate the poorer classes. Exclusive concessions were granted to people of influence for slaughter houses, for the sale of pulque (the national beverage), and for other lines of business which entered into the daily life of the people. As a result in certain districts certain families had a monopoly of half the commodities. These concessions, on their face, were usually within the law, but were frequently so worded as to make competition impossible. The owners of large estates were protected in high prices for farm products by high railway tariffs and by import duties of 100 to 250 per cent. on corn, wheat and flour. The general tendency of the schedule of import duties was to place the heaviest taxes on commodities, while luxuries such as silks, champagne and jewelry were lightly taxed. Wheat and flour paid 100 per cent. import duty, while diamonds and jewelry paid a nominal duty of ten per cent. Taxes on farm properties were levied on a basis of production, but doubtless in many cases the great landowners escaped paying their full share, and in any event such taxes were scarcely fairly apportioned, as the small farms, practically cultivated from end to end, paid, proportionately, much higher taxes than the great estates on which only a fraction of the land was tilled. Fernando Gonzalez Roa, in "The Mexican People and Their Detractors," says that "a truck farmer with a capital of one hundred and fifty pesos frequently paid a larger tax than the richest land baron of the region." This seems incredible, but unquestionably the tendency was toward an unjust distribution of the tax burden.

Señor Roa states that "the tax upon street sellers in public places, or small retail stores, produced more in one of the richest districts in the State of Guanajuato than the whole land tax of the district."

Aside from questions which directly affected the great mass of people, there were many complaints as to the operations of a group which handled paving and other government contracts, of a monopoly granted to a company for the manufacture of dynamite, protected by prohibitive import duties, and of the general tendency to grant special terms to the favored few. Three or four large banks, having direct or indirect government support, were used by a group of men to feather their own nests. The usual method employed in these banking transactions was to incorporate a company to take up some particular line of business — the purchase and operation of a string of big haciendas, the construction of a hydro-electric plant, the development of an irrigation system, and so forth. The money required, in each case, was supplied by one, two or three banks on the notes of the corporation undertaking the business in question. The notes were sometimes nominally secured, but frequently entirely unsecured except by the business undertaken. If the business was a success, the banks were repaid from the proceeds of bonds sold to the public. If, however, the business proved disastrous, the banks were the only losers — another case of "heads I win and tails you lose." Some of the largest banks were well loaded up with the notes or securities of bankrupt ventures, and many banks throughout the country had loaned undue proportions of their assets on haciendas owned by political friends. The amount of these holdings at one time became alarming.

For many years there had been a demand for an agricultural bank to aid in the legitimate development of

farming, and, in the latter years of the Diaz régime an agrarian bank, the "Caja de Prestamos," was organized for the purpose. The government was directly behind this institution, was its majority stockholder, advanced it large sums of money, and secured for it, in New York, a loan of twenty-five million dollars. This bank loaned out a total of $52,855,180 (pesos), but the loans were made to a total of only 98 people or corporations. Of the total loans $31,393,000 (pesos) went to twelve people or concerns with an average of one million three hundred thousand dollars apiece. As a matter of fact, the major portion of the funds were used to relieve other banks of loans of doubtful value. Some funds were advanced for industrial enterprises, nearly two million being loaned to the Monterrey Iron and Steel Works, and some large loans were made to large estate owners to enable them to acquire adjoining properties. Of the total loans less than five million dollars was loaned in lots of less than two hundred and fifty thousand dollars. The bank, as an agrarian aid, was a total failure, and its assets, in many cases, are of very doubtful value. It is a matter of public gossip in Mexico that this bank was deliberately used by certain "Cientificos" to carry loads which they could not carry themselves.

Another cause for complaint arose from the concessions granted for the development of oil lands. The old Mexican laws, based on code procedure, did not contemplate the development of oil fields in the country, and, on the discovery of oil, individuals or companies were able to acquire oil lands without any encumbrance in the shape of existing legislation. Some of the concerns which were early in the field felt that their position would be more secure if they were protected by definite concessions. They first acquired large tracts of land in the oil producing district, the total holdings of

the five largest companies being close to three million five hundred thousand acres. They then obtained definite concessions giving them exclusive rights within the lands purchased, low fixed taxes, exemption from import duties for machinery required, certain rights of expropriation for pipe lines, and, perhaps most important of all, a prohibition against the sinking of any wells within three kilometers, or about two miles, of their lands. Even before the business was on a commercial basis there was considerable gossip, almost amounting to a scandal, regarding these concessions. It was whispered, and then talked of generally, that certain people in the government received substantial blocks of stock for arranging the concessions. What truth, if any, there was in these stories is hard to determine. The contention on the part of the oil companies was that, in an unknown field, they were taking large risks, and that, in doing so, they were entitled to liberal treatment for aiding in the development of a new industry for the country. Not only was the territory unknown, but there was some doubt as to whether the oil would be of a commercial grade — in fact, in the early days of the business there was considerable question as to whether the Mexican fields would be worth much. The business was almost exclusively in the hands of foreigners so far as operating companies were concerned — an English company, two or three large American companies, and a Dutch company. The business, which amounted to practically nothing ten years ago, developed very rapidly, and the production has reached, already, a figure of about one hundred million barrels a year. The Mexican fields, scoffed at to begin with, became the wonder of the world. One gusher, the Cerro Azul, produced two hundred thousand barrels a day for some time. Gushers shot columns of oil a thousand feet in the air for days

before they could be capped, and at one well a fire burned two hundred thousand barrels a day for three weeks. The Mexican public was let in for a thousand fake promotions, both native and foreign, and this did not help the state of the public mind on the oil question.

Some Mexicans felt dissatisfied that the mining industry had passed into foreign hands, the figures in the Mexican year book for 1914 showing that of the total of 647 millions of pesos of capital in mining enterprises only 29 millions were Mexican, two-thirds of the total being American. The mining development by foreigners was entirely logical, as Mexico lacked capital, experience and initiative. Nevertheless, there was a certain amount of pique because the greatest industry (except agriculture) had passed almost exclusively into foreign control.

Economic and industrial conditions both within and without Mexico were dominating factors in various industries, but many Mexicans jumped at the conclusion that the foreigners were deliberately exploiting the people, and that, in this, they were receiving the active support of the government. Diaz had certain supporters, some of them men of much ability, who, with him, were anxious to see foreign capital pour into the country but who failed to see that much of the progress being made was of a superficial character. Some of these men had been active in the administration for many years, and their training was against their taking up with reform ideas. Some of them had doubtless profited much by the industrial development. As a whole the administration was a very strongly "stand-pat" one. There was a feeling that public opinion amounted to nothing and could be defied. It is said that an American promoter told a member of the cabinet that if he would put through a certain concession he

would receive a hundred thousand pesos and no one would ever be told of it. The cabinet member is alleged to have said, "Make it two hundred thousand and tell everybody you wish to." While this tale is doubtless only a part of the idle gossip floating around the capital, it illustrates the general feeling of the public mind. The government felt strong and was quite indifferent to public protest. Diaz promised some agrarian reforms, but nothing tangible resulted. Diaz, meanwhile, was getting old and leaning more and more on his supporters. The Vice-President, Ramon Corral, was very unpopular, and, in view of the President's advanced age there was a very strong movement to have some one else elected Vice-President, but General Diaz turned a deaf ear to all appeals on the question. Friends of General Bernardo Reyes, Governor of the State of Nuevo Leon, urged his selection as Vice-President, and the mere fact of his being suggested as a candidate caused sufficient friction to bring about his retirement from office.

Briefly, then, the Diaz government was charged with abuse of power, with unduly favoring foreign capital, with permitting the "Cientificos" to enrich themselves either directly from the public treasury or indirectly through participation in profits arising from concessions, with using the Federal and State political machinery to protect and enrich the large landowners, and in its efforts to perpetuate itself with defiance of public opinion. In many cases the critics did not fully understand the economic conditions responsible for things of which they complained, and in others the ills were doubtless greatly exaggerated. Nevertheless, there is no question but that there was much abuse of power, and that, at the bottom of it all, there was much reason for the belief and feeling that the mass of people was making little progress under the system. A hundred

years earlier Don Manuel Abad y Queipo, subsequently bishop of Michoacan, addressed a petition to the Regency, in which he said: "This great mass of inhabitants has practically no property, and the great majority are homeless; truly they are in an abject and miserable condition, and destitute of morality and the rules of life. What can be the result of a revolution, given this heterogeneousness of class, this class of interests and passions? Naturally, nothing but reciprocal destruction, the laying waste of the whole country. . . . The Spanish, Europeans and Spanish Americans make up two-tenths of the whole population. They are the rulers and the property owners throughout these dominions. If in these countries, so constituted, public order should be disturbed, then a frightful state of anarchy must follow." These lines, written in 1810, might have been written for a century later.

CHAPTER XIV

MADERO

It is essential, even at the expense of some repetition, to very briefly outline political and social history in Mexico up to this point. Emerging from barbarism, the Aztecs had reached a certain degree of civilization, tainted by human sacrifices and other degrading features, but on the whole indicating an ability to develop socially and politically. While no alphabet had been devised, picture writing had been developed to a high degree. A massive and substantial system of architecture showed great capacity along this line, and, while judged by modern standards, astronomy as a science had only had a limited development, astronomical observations and calculations had been made with a surprising degree of accuracy. Politically the people were still in the tribal state, but one tribe dominated a wide extent of territory, and while the political system was defective through its development along tribal rather than along national lines, nevertheless a beginning had been made in government on a wider scope than that of purely tribal rule. The power and extent of this rule have been, at times, greatly exaggerated, while some writers have been inclined to minimize the achievements of the people, contending that their life could not be called civilization. One thing is, however, clear,— that the early Mexican people were thousands of miles removed from any other people, and consequently not affected by any other civilization. Such advances as they made were

purely their own, and their emergence from a state of barbarism and their accomplishments in the beginnings of a civilization were no less interesting nor less rapid than with other primitive peoples. In other words, they had demonstrated an ability to develop. Their civilization was swept away by the Spanish conquest, and nothing was given them in return save the formulas of religion. They remained in a state of slavery, entirely neglected, for three hundred years. Independence from Spanish rule did not materially alter their condition, for, as a people, they were dominated by a ruling class, largely of Spanish origin. Forty years of misrule under various dictators was followed by some effort at national progress, which, again, was upset by several years of French occupation. National bankruptcy and chaotic conditions succeeded, giving no opportunity for progress. Then came a strong military dictatorship, gradually transforming into an oligarchy, under which there was railway development, considerable industrial growth and some advance in popular education, without, however, any advance in political thought or in the material condition of the mass of the people.

The National capital, both as the seat of government and as the place of residence of many rich landholders, was very strongly conservative and contented with the existing order of things. The South, especially in the tropical part and with the exception of the Oaxaca region, was indifferent. Central Mexico and the Gulf Coast, depending largely on the capital, was generally conservative. The Pacific coast region was of comparatively small importance. The North, somewhat isolated from the capital, was for many reasons more liberal in its tendencies. The North was a grazing country, with a wider range of view. It was, moreover, more closely in touch with the civilization of the United States.

Mexicans slipped across the border, worked for higher wages than they ever had dreamed of, came in contact with people who considered schooling the first essential in life, saw the opportunities afforded to all to get along in the world, and, in general, absorbed many of the ideas of their Northern neighbors. Moreover, the geographical distance and the difference in economic questions had so isolated the North from touch with the capital that, in large measure, the governors and other political officials were far more independent than those in Central and Southern Mexico. This independence had, in some cases, resulted in a broadening of political views, and in others in carrying the abuse of power to great excesses. It was natural, therefore, that the first rumblings of discontent should have come from the North.

The Centennial Celebration of the independence of Mexico was held in Mexico City in 1910, and many foreign nations sent special representatives to participate in the affair. Mexico City was at its best, and a series of beautiful entertainments, culminating in a wonderful ball at the National Palace, fairly charmed all the visitors. General Diaz, in spite of his 82 years, was all-powerful. The government was strong, there was peace in the land, mining and other industries were prosperous, national credit, at home and abroad, was at its highest. To the visitor, seeing the display of pomp and power, it looked as if Mexico was well started on a career of great prosperity. The idea of any opposition to the Diaz government was laughed at, and Francisco Madera's attempt to hold an opposition convention was considered the act of a fanatic. Madero was imprisoned at San Luis Potosi on June 3 on the charge of sedition and held four months, when he escaped and, disguised as a peon, made his way to San Antonio. The year finished quietly, with not a ripple on the surface.

Madero, a member of a rich family having great properties in Nuevo Leon and Coahuila, had been stung to the quick by his treatment, and spent several weeks in San Antonio preparing for military operations against the government. Having assurances of some active support, he crossed into Mexico on November 10, and within two months he had a large following, including independent forces organized by Orozco, Blanco and Villa. Early in February of 1911 Abraham Gonzalez, governor of the State of Chihuahua, cast his lot with the revolutionists, joining them with the state troops. The whole North was soon in an uproar. The revolutionists, starting at first with a sort of guerilla warfare, gradually became better organized and were able to conduct a regular campaign. Events moved forward with amazing rapidity in March and April. The government, at first incredulous, became apprehensive, then panicky. The revolutionist troops, largely recruited from the rancher and cowboy class, could move light cavalry about with great swiftness, capture a town and garrison, secure provisions and munitions, and be gone before any body of troops could be moved to intercept them. The regular Federal troops in the North were unable to control the situation, and the garrisons of large cities were sent to reënforce them. Rumors of what was happening in the North swept over the country, and in an incredibly short time Maderista bands began to spring up in every section. The government had an army of only 25,000 men,— a force which, for years, had been sufficient to preserve order,— and, in the face of general movement it was unable to cope with the situation. Stories of battles for liberty being fought in the North traveled from town to village and from village to town. There were vague promises of liberty, of land for all, of freedom from oppression. The tiny spark had become a

blaze, then a conflagration. With garrisons withdrawn, the lower classes rose against those whom they considered their immediate oppressors. Excesses of all sorts followed. A single instance, the story of Gabriel Hernandez, is typical of what happened all over the country.

Hernandez, an Indian lad 24 years of age, started with three men at the village of Chignahuapan, in the State of Puebla, to raise a Maderista band. Within a few days he had picked up fifteen or twenty men from neighboring villages and had obtained horses and arms from sympathizers. It was an easy matter to take possession of several small towns and villages, and in each more recruits were obtained, and farmers were induced to contribute horses "for the cause." The band, all mounted and now numbering a hundred men or more, took the town of Zacatlan, a place of considerable importance, then occupied Xico, and then Hanchinango, the county seat. The Hanchinango jail contained many men arrested for political offenses, and a number of people held for minor offenses. One man, held for a cold-blooded murder, every one agreed was a bad case, and Hernandez had him lined up against a wall and shot, the fifteen-year-old son of the murderer's victim being given a rifle to do the shooting. All the other prisoners were turned loose. With supplies, more recruits and more arms obtained in Hanchinango, the band moved up on the table land and occupied the important town of Tulancingo, the garrison there being too small to offer resistance. By this time Hernandez had some three hundred followers, mostly mounted, with a motley collection of arms — revolvers, a dozen makes of rifles, shotguns, etc. There were no uniforms, barring khaki suits worn by three or four officers, but Hernandez was a born leader, maintained rigid discipline, and he soon had his force in shape to advance against Pachuca, a

mining center of 50,000 inhabitants, and he made no secret of the fact that he intended to take the city.

Events in the capital and elsewhere in the country had, in the meantime, been moving very rapidly. Madero had attacked and taken the city of Juarez, across the Rio Grande from El Paso, the most important Mexican town on the border. Maderista bands were springing up everywhere. The Diaz machine, of a personal character, was crumbling. The cabinet in the capital was in almost continuous session, and the messages it received from all parts of the country were of the most discouraging nature — towns taken, small garrisons going over to the revolutionists, a Maderista movement everywhere. General Diaz, feeling the hopelessness of the situation, decided to resign in order to prevent further bloodshed and disorder. Orders were sent to several of the governors, including the governor at Pachuca, to offer no further resistance to the Maderistas. The Pachuca governor, hearing that Maderistas were to advance on Pachuca, thought the easiest way to avoid trouble would be to disband such troops as he had, and these were accordingly paid off, leaving only a few police to preserve order in the city. The Maderistas, however, did not appear in the afternoon, as expected, but every one knew that the Federal authorities had given up any efforts at resistance, and, as the city was strongly Maderista, an impromptu jollification started when some boys went through the main streets shouting "Viva Madero!" The jollification soon turned into an uproar, and the uproar into a general riot. The vicious element, realizing that there were no forces to restrain them, cut telegraph and telephone wires and seized the railway station to prevent any communication with Mexico City, and then began pillaging and looting shops. The celebration started about five o'clock in the

afternoon. By nine o'clock all the downtown shops had been stripped, the jails had been opened and all prisoners turned loose, government buildings were in flames, and a night of terror had set in. In the middle of the evening a general raid was made on the cantinas, or saloons, and, inflamed with liquor, the mob soon attacked the offices of the large mining companies. The largest of the mining companies had offices in a building erected, in the sixteenth century, for use as the Spanish governor's palace, and the place was practically mob-proof. Here the majority of the foreigners, men, women, and children, mostly American, spent an anxious night. The looters, in cutting telephone and telegraph lines, had overlooked a telephone circuit coming in on the high tension lines which supply Pachuca and Mexico City with hydroelectric power from Necaxa. Over this circuit word was sent to the capital of the state of affairs. Practically all troops in Mexico City had been sent North. There was imminent danger that there might be an outbreak in the capital at any moment, and the authorities could not spare any considerable force to go to the relief of Pachuca. The power company, in the middle of the night, telephoned one of its transmission line stations, located about eight miles from Tulancingo, and dispatched a rider on horseback to notify Hernandez, who, with his forces, was in that town, to hurry into Pachuca.

Hernandez, who was already in possession of the station and a portion of the rolling stock of the Pachuca-Tulancingo railway, soon had a force of some two hundred men, with their horses, on board a special train which hurried forward to Pachuca. The force was detrained in the outskirts of the city, and at seven o'clock in the morning the cavalry clattered into the center of the town. Everything was in the wildest disorder —

drunken pelados, burning buildings, window fronts smashed in, remnants of discarded loot scattered in the streets, every sign of a riotous debauch. With the arrival of the troops the looters hurried out of sight. Hernandez sent three squads of men to cover the city, while he himself conducted an inquiry in the public square. The blame for the starting of systematic looting was definitely fastened on one man, who was lined up against a wall in the plaza and shot. One of Hernandez' squads, headed by a strapping Swede, found looters drilling into the sides of the vault of the Bank of Hidalgo. The looters had tried unsuccessfully to force the vault doors with dynamite, and were now planning to drill in on the sides and blow the whole front out. The Swede shot the two men on the spot, their blood spattering on the vault doors. Hernandez passed the word around that all loot must be brought to the main plaza, and that any one caught with loot after six hours would be summarily shot. Soon the plaza was filled with a weird collection of stuff — sewing machines, dry goods, groceries, fruits, gramophones, saddles, hats, hardware, wines, in fact, every conceivable sort of merchandise,— and a hundred or more merchants were pawing over the piles trying to identify their wares. The vicious element in the country roundabout, hearing of anarchy, began to pour in, and, on finding the town under rigid military rule, declared they were Maderistas who came to join the cause. Hernandez was in none too strong a position, but feared to enlist the motley mob with his troops. He accepted the recruits, however, as fast as they came, disarmed them and put them at work giving the city a much needed cleaning, in which way, he said, they could best serve the cause! The former Federal troops were reënlisted as Maderistas, the old rurales were reëngaged, armed companies were sent out

to scour the country for bandits, and, in a remarkably short space of time, peace and order were restored in the region. Hernandez, starting a month before at a country village with three men, was a general at the head of a force of two thousand mounted men and a thousand foot, controlled the Northern half of the State of Puebla and held the whole of the state of Hidalgo. His career, so brilliantly started, came to an end during the Huerta régime. He was arrested, as were many other Madero officers, and thrown in the penitentiary. General Zepeda, one of Huerta's officers, came to the penitentiary on March 27, 1913, and told the warden he wished to see Hernandez. When the latter was brought in Zepeda shot him dead.

The story of Hernandez is the story of a hundred others. Small bands, starting over night, became companies, regiments, formidable army units, in an incredibly short space of time. Unfortunately all the leaders were not as clean as Hernandez. Young men who had nothing to lose and everything to gain jumped into position. Recruiting men was easy. The bands could live on the country, requisitioning or "borrowing" supplies, arms and horses. There was a novelty in the life, and none of the humdrum drudgery of work. From seizing needed supplies to taking luxuries was an easy step, and thousands of men who had never had as much as ten dollars at any one time found themselves relatively rich. They had horses, arms, all the food they wanted, money to spend — and no work. It was often hard to distinguish between a Maderista and a plain bandit. Scores of bands, calling themselves revolutionists, were nothing more than bands organized for looting purposes. They operated with the revolutionary forces as far as it suited them. Classed as supporters of the cause, no one was likely to call them to account for excesses except the old

government, to them a symbol of oppression. They could, with the revolutionists, make common cause against the old régime. The leaders of the revolution were glad to get any and all the support they could, and they could not be too particular. As General Obregon said, a couple of years later, "When you are in a revolutionary fight you cannot stop to ask the antecedents of a man who offers to carry a gun for you." And so the movement, a real one at its base, supported partly by patriots, partly by adventurers, and often by the vicious, grew by leaps and bounds all over the country. The revolutionary forces, victorious in the North, headed southward. It was evident that nothing could stem the tide. General Diaz, for a third of a century a powerful dictator, resigned, left the capital somewhat hurriedly for Vera Cruz to sail for France — and to die, surrounded by a few friends in Biarritz, a few years later. The whole cabinet resigned. Francisco de la Barra was put in as provisional president with the hope that a compromise government could be agreed on. Madero entered the capital on June 8 and was given an enthusiastic reception by the populace. Large numbers of Federal troops came over voluntarily to the Madero cause, opposition to Madero's candidacy for the presidency ceased, little by little order was restored in the country, and, to all appearances, troubles were over, and the revolution, started barely six months before, had completely triumphed. On October 2 Madero was duly elected president.

CHAPTER XV

HUERTA

Madero, however, was not to have a peaceful time of it. Felix Diaz, a nephew of General Diaz, an army man and for several years chief of police in Mexico City, had a considerable army following and planned a revolt to turn the government over to the reactionary party. He secured the support of some of the troops stationed at Vera Cruz, and by a coup seized that important port ten days after Madero's election as President. New troops were sent to Vera Cruz, and within a week Diaz was made a prisoner, being, however, subsequently released. The following three months passed without special incident, but on February 8, 1913, part of the troops in Mexico City, led by General Reyes and Felix Diaz, revolted and seized the National Palace. The next ten days are called, in Mexico, the "decena tragica," or tragic ten days. There was constant fighting in the streets. General Huerta, one of the old regular army, had pledged his loyalty to Madero, and, with his troops, recaptured the National Palace and one or two points of strategic value. During the attack on the palace General Reyes was killed. Diaz seized the arsenal. There followed, then, not only more or less continuous street fighting, but a bombardment, over the most thickly populated portion of the city, of the important points held by the opposing forces. In a zone a couple of miles long by half a mile wide stray shells killed many people, including one American lady, and

did much damage to property. Attempts were made by the American Ambassador and others to arrange an armistice, but fighting continued. The upheaval in Mexico was soon followed by trouble elsewhere. Outbreaks occurred in Nuevo Leon and Tamaulipas, Diaz adherents seized Matamoras, a new revolutionary movement started in Chihuahua, where Emilio Vasquez Gomez proclaimed himself as provisional president of Mexico, and Orozco, one of the original revolutionary leaders, seized the city of Nuevo Laredo, opposite Laredo, Texas. Huerta and Diaz, through the mediation of mutual friends, reached some sort of an agreement, and on February 18th fighting in the city ceased abruptly, and, simultaneously, General Blanco, one of Huerta's officers, placed Madero and Pino Suarez, the Vice-President, under arrest on a series of charges of misuse of their offices. On the day following Huerta was nominated for president by a provisional congress, the positions of president and vice-president being declared vacant through incapacity due to the arrest of the incumbents. To preserve the form of legality Huerta was placed in the cabinet, and, through the resignation of the acting president he succeeded to the office. The same day Gustavo Madero, a brother of the President, was called out of a down town restaurant, taken to the arsenal and killed by Huerta adherents. The authorities gave assurances that Madero and Suarez should have a fair trial, and on the twenty-second they were sent to the penitentiary for "safe keeping." Beyond the fact that they were assassinated, just what happened has never been definitely known. It is claimed that, on arrival at the penitentiary, they were placed against a wall and executed by the mounted escort. The Huerta party claimed that the escort was attacked en route by soldiers who thought the prisoners were being helped to

escape, and that in the mêlée the prisoners were accidentally shot. This story was never believed. There appears to be little doubt but that the affair was a deliberate assassination with a view toward ending, for all time, the Madero government. There are half a dozen versions of the affair in Mexico, with variations as to the names of those in the conspiracy, and, of course, each version is based on positive information. The Madero party believes Huerta was the prime mover in the affair, but Huerta's friends, and a good many unbiased people, believe certain other reactionaries were responsible.

Madero was too much of an idealist to succeed. Some of his acts only added confusion to a complicated situation. He undertook, for instance, to immediately carry out a political promise of free land for all. Estates belonging to rich cientificos in the North were seized and allotments made to the Indians. The peon, with no definite idea of what to do with a piece of land, sought to get immediate results by selling his allotment to any speculator who would buy it, even if he could only realize fifteen or twenty pesos in the transaction. In many cases, unable to find a buyer, he would offer the land to the former owner if only he could have promise of work. Two days after Madero's triumphal entry into the capital the word, or rumor, passed around that there would be a distribution of land at the National Palace on the following morning. Thousands of the peon class swarmed to the palace the next day, and bitterly disappointed when they found there was no land to be had, they almost mobbed Madero's residence. The whole land distribution scheme, so far as it was carried out, was a dismal failure, satisfied nobody, and only made bitter enemies of the land holding class. In government administration and organization Madero was weak.

Personally honest, he was easily taken in by friends and supporters, and his government had hardly been established before there were stories of scandal and graft. Government credit, which had been high, was seriously affected. The government, which had for some years been accumulating a surplus, had a heavy deficit every month, and in nine months the cash holdings in the National Treasury dropped from seventy-five million pesos to nothing. There were, of course, more military expenses than usual, and these, combined with waste and inefficiency, brought about a serious financial situation which the government took no measures to meet. No definite policy marked the acts of the administration. Spasmodic and effervescent efforts were made at reforms of practical or illusory character, but there was nothing in the way of a clear program such as is particularly necessary to bring order out of chaos.

The murder of Madero and Suarez caused a wave of indignation to sweep over the country, and a storm of protest broke forth in the United States, which declined to recognize Huerta. The foreigners resident in Mexico, while deploring the killing of Madero and Suarez, saw in Huerta the chance of reëstablishment of a normal order of things. They had seen a condition bordering on anarchy in the last days of the Diaz administration, due to the progress of the revolution. There had been weeks during which every one half expected things to "blow up." There was no telling when the capital might pass into the control of a mob. People slept with revolvers under their pillows and rifles standing at their bedsides. The old government, its authority vanishing, seemed helpless. The incoming government had not yet demonstrated its ability to govern. With eighty per cent. of the population illiterate or ignorant, or both, there was no telling what might happen. The crisis

had passed, and Madero had been installed as president, but his government had not been of a character to inspire confidence. Every one was pessimistic, and the foreign population, in particular, had suffered from an attack of nerves for a year. For weeks at a time wild rumors had followed each other so fast that there was no time to find out what the real situation was. Outbreaks in different parts of the country had threatened to become general. There were many bands of brigands, and travel was insecure. Under these conditions the foreign population and the wealthy class of Mexicans felt that a strong man was needed, and that nothing but a rule of iron would put things in order. Huerta was known as a strong man, and it was believed that he had the best chance of success. American, British and French concerns doing business in Mexico sent appeals to their home offices, and the State Department in Washington and the Foreign Offices in London and Paris were bombarded with requests that Huerta be recognized and given any support necessary to restore order. The Washington administration, in spite of recommendations of the American ambassador, steadfastly refused to recognize Huerta, the President taking the ground that the United States could not be a party to assassination and usurpation of office.

The statement has been repeatedly made, during the past five years, that if the United States had supported Huerta, by giving him formal recognition, all the subsequent troubles in Mexico would have been avoided. Such an impression is very strong in England, and also prevails with the majority of Americans having interests in Mexico. The majority of Americans resident in Mexico are of this opinion. Even many Mexicans have assumed that if Huerta had received the moral backing of the United States opposition would have ended, and

political, social and industrial affairs would have gone on as before. A careful examination of the situation does not seem to justify this view. Those on the ground who support this theory start off with the assumption that the Mexican people know nothing of self-government, and will, consequently, accept any authority that is supported by arms. They do not believe that the force of public opinion amounts to anything in Mexico. They feel that the peon class is too ignorant to count politically, that the middle class is entirely indifferent, and that it essentially devolves on the property owning class to do the governing. In these views they are quite sincere — even many patriotic Mexicans who have high ideals. It is true that for centuries the Mexican people took, uncomplainingly, any form of government given them. It is also true that, politically, the peon class is incompetent to take part in a governing scheme. It is equally true that the middle class has, for many years, been indifferent to government affairs, regarding politics as a matter of factional squabbles over power and spoils. It does not follow, however, that a representative of the reactionary party could have made a success of governing the country. The whole of Northern Mexico was imbued with liberal ideas, and this spirit had seeped through the whole social structure of the country. Some of the ideas were, to be sure, too extreme to be practical; some of them were crude and ill-suited to the country's economic and social conditions; and some were so fantastic as to be ridiculous. The whole program of liberty was a vague one. Nevertheless, the fact remained that a revolution, based on liberal ideas, had taken place, and that it had been successful in so far as overthrowing an autocratic form of government was concerned. Lacking previous political preparation, the liberal scheme had not demonstrated its ability to

manage the affairs of the country, but this did not mean that the liberal sentiment was crushed, or that it would accept without protest a return to conditions against which it had rebelled. The middle class, small as it was, had developed in political thought, and, as opposed to an aristocratic class, it could always count on the great mass of people for support. Huerta, with the moral and military support of the United States, could, in a short time, have controlled the country, but Huerta, backed solely by moral support, would have had a very hard time of it. It is doubtless true that the refusal of the United States to give him recognition helped, through giving his enemies encouragement, to precipitate matters.

It is hardly probable, however, that a new outbreak would have been long postponed. The fact cannot be overlooked that, throughout the country, there had been an insistent demand for a change: a demand made by people having no political organization, no military support, and no voice in government affairs; nevertheless, a demand so strong as to have formed the base for a successful revolution. Making all due allowance for personal equations, ambition, greed, cupidity and ignorance, the movement had moral force back of it, and this force, sooner or later, would have asserted itself. To be sure, if Huerta had continued in power and made drastic reforms he doubtless would have met with success, but his associations and the manner of his coming into power gave no promise of a liberal scheme, but rather fixed him, in the public mind, as an advocate of strong reactionary rule.

The rapidity with which opposition sprang up is good evidence in support of the above argument. Two days after Madero and Suarez were killed, Huerta was denounced at Saltillo by General Venustiano Carranza,

one of Madero's supporters, and Carranza's attitude was soon endorsed by many leaders. Governor Gonzalez, of Chihuahua, who failed to recognize Huerta, was placed under arrest, sent under escort to the capital but murdered en route. There were outbreaks in Sonora, Nuevo Leon, Coahuila and Sinaloa. Within two weeks Carranza, supported by Jesus Carranza, Pablo Gonzalez, Salinas and others, had eight or ten thousand men in the field. In another week Alvaro Obregon, a well-to-do rancher and friend of Carranza, had another force in the field and attacked and took the town of Nogales. It would be tedious to go into the details of the campaign, or series of campaigns, which followed. There were defeats and victories on both sides. The whole Northern half of Mexico was the battlefield. The engagements frequently were of small importance, but collectively they made for the steady progress of the revolutionary party, now called the Constitutionalists. There were incidents which gave variety to the war. The Yaqui Indians went on the warpath on their own hook, and attacked both Constitutionalists and Federals. Zapata, who, in the state of Morelos, had started a revolution simultaneously with the start of the Madero revolution and who had, for two years, dominated the states of Morelos and Guerrero, at various times acted with the Carranzistas and at other times with the Federals. Pascual Orozco, one of the original Madero officers, operated for a time with Zapata, fell out with him and was executed. Francisco Villa was a Constitutionalist supporter but a difficult and erratic one to handle. The strong personal elements presented many difficulties. Many of the bands, as in the Madero revolution, were simply squads of brigands, and their excesses caused serious situations, particularly in cases affecting foreigners. In spite of numerous troubles the Constitu-

tionalists made headway. The forces under Pablo Gonzalez and Obregon were solidified and were able to make a definite offensive against the Federals.

The Washington administration had, in the meantime, advised all Americans to leave Mexico, and large numbers had left. The American government sent special representatives to Mexico City, but nothing definite resulted. Spain had given Huerta early recognition, and Great Britain had followed it, but Washington stood by its determination not to give formal recognition. Huerta, in addition to military opposition, was having no easy time of it. Dominguez, a member of the Senate, made a speech openly attacking him, and, when Dominguez disappeared and was reported to have been assassinated, the Senate demanded an investigation. One hundred and ten senators were then arrested and placed in jail and kept there for some time. Warships were sent by various foreign governments to Mexican ports. Huerta, in need of funds, floated an internal loan of ten million pesos, a delicate hint being given to each large concern to subscribe a certain amount. In the midst of all the trouble and turmoil a picturesque feature was added when Zapata made the announcement that as soon as he and his principals triumphed he would exclude all foreigners from the country, tear up the railroads, and return to primitive conditions. Felix Diaz tried to "start something" and had to flee from the country. Through the fall of 1913 and in the winter of 1914 some efforts were made by the United States to effect an arrangement between the opposing parties, but both sides were indisposed to negotiate. Carranza insisted throughout that he would agree to no foreign interference in Mexican affairs. Huerta, on his part, was much offended because of the failure to recognize

him, and felt that the American government was hostile.

In March the Carranza forces, by this time fairly dominant in the North, began pushing a campaign into Central Mexico. An incident in Tampico, growing out of the arrest, by Federal officers, of some United States marines, brought a demand, in April, for an apology. Huerta apologized, but refused to have the American flag saluted. An American fleet then shelled the defenses of Vera Cruz, landed forces, and on April 21, 1914, occupied the city. There was some hard fighting for a short time, thirty American marines and sailors losing their lives, while the Mexican losses, military and civil, due largely to shelling a portion of the city where the arsenal was located, were over three hundred. The occupation of Vera Cruz caused intense excitement and much bitter feeling, especially in Mexico City. Nearly all American residents left for the Coast, and all believed that armed intervention in Mexico was at hand. Matters dragged for some weeks, but finally a proposal was made that Argentine, Brazil and Chile should act jointly to mediate between Mexico and the United States, and the American and Mexican (Huerta) governments accepted the offer. Huerta proposed an armistice with the Carranza forces pending the result of the so-called A. B. C. negotiations, but the latter, while declaring his protests against the presence of American forces in Mexico, declined to have this condition used as a basis for the settlement of internal affairs. The Carranza forces were, by this time (July) making rapid headway. Huerta finally made up his mind that, between internal and external troubles, his situation was hopeless, and on the fifteenth of July he left Mexico City, going to Puerto Mexico, from which port he embarked with his family for Spain, on board the German

cruiser *Dresden* (now sunk). Huerta spent a year or more abroad and then came to the United States, was arrested on the border on charges of conspiring to start a revolution, and died before his case came to trial.

CHAPTER XVI

CARRANZA — VILLA — ZAPATA

The Federals, on Huerta's departure, ceased serious opposition to the Constitutionalist cause, and within a month General Obregon occupied the capital. Felix Diaz, who had returned to the country, announced that he would start a new revolution. In the North Maytorena led an uprising in Sonora. Obregon and Villa, sent to suppress the outbreak, fell out, and Villa placed Obregon under arrest. Obregon managed, however, to escape and return to Mexico City, while Villa, after announcing himself as dictator of Northern Mexico, declared war on the Constitutionalists, so that, five weeks after the latter had occupied Mexico City, they had a new revolution on their hands. Leaders in Mexico City called a national convention, to meet at Aguas Calientes, partly for the purpose of organizing a permanent government and partly to secure, if possible, a union of all parties in a new program. The convention met on October eighteenth. Villa, at the head of a large force of light cavalry, swept down unexpectedly from the North, and overawed the convention, which resulted in the formation of a Villa-Zapata party called the Conventionalists.

The Constitutionalists, meanwhile, had organized a government in the capital. One of their first acts was to ask the United States to withdraw its troops from Vera Cruz, which was evacuated by the American forces on November 23rd. The Belgian minister was given

his passports as the result of a communication which offended the government. Sir Lionel Carden, the British Minister, who had advocated the support of Huerta, left the country. The government took over the operation of the National Railways, partly for military reasons and partly, doubtless, as a source of income. At the same time the government took possession of the tramways system in Mexico City.

The Constitutionalists, threatened by the Zapata forces from the South and Villa forces from the North, decided to evacuate Mexico City, and withdrew on November twenty-fifth, going to Vera Cruz, which then became their headquarters. A serio-comic incident connected with the evacuation was that General Obregon, wishing to embarrass the Villa-Zapata combination as much as possible, and also to cut off a source of revenue, took the controller boxes off from all the street cars, and shipped them to Vera Cruz, completely tying up the operation of the street railway system.

Mexico City, during the next two months, witnessed a series of political and military shifts probably never equaled in history. Zapata occupied the city on November twenty-fifth, his army marching in from the south as Obregon withdrew his troops at the northern end of the city. The Zapata forces consisted of recruits from the farming class in the State of Morelos. Few of his soldiers had ever been in a large city before. They were people of the most primitive type, who, for four years, had been carrying on a bandit warfare in Morelos. They had looted every large hacienda in the state, where Zapata, a wild and picturesque dictator, had held complete sway. They had declared open enmity against the railroads, and had wrecked train after train between Mexico City and Cuernavaca, killing scores of passengers. They had been responsible for

so much looting and slaughter that their advance on the city and the withdrawal of the Constitutionalist troops threw the public in the wildest sort of panic. Every one wanted to flee, but there were no transportation facilities. Service on the Vera Cruz line was interrupted, and Obregon had taken the rolling stock of the Pachuca line to move his troops. Many of the private automobiles had been commandeered, or simply taken, by the military. Besides, the shift had come so quickly that there was no time to leave, and, before the majority of people realized what was happening, the Zapatistas were in full occupation of the city. Much of the terror produced by the mere mention of the Zapatistas proved to have been groundless. There was much less violence and disorder than had been expected; in fact, the city was rather more orderly than it had been. The Zapatistas were seemingly more or less overawed by their surroundings, and, on the whole, behaved themselves fairly well. There was no looting of shops or private houses, and such automobiles as remained in the city were not molested, few of the "Zaps" understanding anything of the intricacies of the insides of a motor car. Horses were legitimate loot. One wealthy Mexican, a great polo player, saved his string of polo ponies by quartering them in a small dwelling house adjoining his own property, supplying them for weeks with food from a temporary entrance, concealed by shrubbery, cut through the wall into his own yard. The "Zaps" felt that anything found in government property was fair spoil, and their fancy usually ran to showy odds and ends — bits of brocade, strips of enameled leather cut from heavy chairs, bronze or brass electric light fixtures, gilded picture frames, cut glass chandeliers, and the like. There were many incongruities, with barefooted soldiers in pajama-like cotton suits standing

guard in the gorgeously furnished reception rooms in the elaborate government department buildings, and picturesque officers amusing themselves by riding up and down elevators in office buildings. Thinking it was some new type of war machine, a squad of soldiers opened fire on a fire engine responding to a call, and killed several of the crew. The shelves of the National Library were stripped of half their books, to be sold to second-hand bookstalls for what they would bring. Elaborate silk and brocade hangings were cut from the walls of the National Palace and sold to dealers in antiques. The general hostility to foreigners was evidenced in the complete wreckage of furniture and furnishings at the Country Club, just outside the city, which was used as Zapatista headquarters before entry into the city.

The first shock of the Zapatista occupation over, people settled down to make the best of matters. Ten days later Villa entered the city with a large force and was soon wrangling with Zapata over the latter's suggestion that Emilio Vasquez Gomez should be named President. The Zapata forces, withdrawn from the city the first of December to engage the Constitutionalists, met with defeats toward the end of the month, and on January nineteenth Villa, having insufficient forces to hold the city against the advancing Constitutionalist army, abandoned the capital. In the meanwhile Gutierrez, installed as provisional president by a combination of different elements in the city, including Villa, had refused to be Villa's tool and had had to flee, being succeeded by Roque Gonzalez Garza. The latter now attempted to reach some arrangement with Carranza, but, the negotiations failing, he left the city, Obregon, with the Constitutionalist troops, reëntering on January twenty-eighth. The next few weeks

passed without special event in the capital, but there was much fighting all over the country, especially in the North. General Jesus Carranza, one of the original supporters of the Constitutionalists, was, with his son, betrayed into the hands of the Villistas, and father and son were executed. Gabriel Salinas, one of those responsible for his death, was later captured and executed. Villa proclaimed himself dictator for all of Mexico, and, with a large force supporting him, he threatened to make his claim good. Obregon, needing all his troops for the North, and threatened from the South by the Zapatistas, on March eleventh, again evacuated Mexico City, the "Zaps" marching in and assuming control of affairs. The seat of government continued to be in Vera Cruz, from which point General Carranza directed the campaign. The Constitutionalist armies, led by Obregon, Gonzales and Trevino, had the great advantage that they were acting in a common cause and were loyal to one chief, while their opponents, Villistas, Zapatistas and other "istas" were running more or less individual affairs and unlikely to act in unison. The campaign was pushed through the Spring and early Summer of 1915. Obregon, operating in the North, defeated Villa forces in many skirmishes and some heavy fighting, Trevino dislodged Villa troops from important points in Tamaulipas and Nuevo Leon, and Gonzalez, by a long series of operations, secured control of all the territory surrounding Mexico City. On July tenth the Zapatistas evacuated the city, and the Constitutionalists again took possession.

Affairs in the capital had been going from bad to worse. Business was suspended and factories closed; no work was to be had; thousands of people had starved to death; there were epidemics; governments had succeeded governments so rapidly that people were dazed;

the wildest rumors were current every day; each faction had celebrated its days of control by executions of people accused of treason, conspiracy or sedition; railway service had been interrupted, for weeks at a time; even the richest people had had a bad time of it, having to sacrifice jewels and other possessions to obtain funds with which to buy food; most of the foreigners had left; travel by motor car or to outlying towns had been perilous, frequently involving going through the lines of opposing factions: in fact, life itself had been very uncertain.

With such conditions prevailing in the city, and general uncertainty as to the ultimate outcome of affairs, the situation in rural districts was even worse. The general disorder had largely stopped or cut down agricultural pursuits. Food was scarce, and labor could find no work. The man with a gun could take food away from the man who had no gun. In a considerable degree brigandage was a natural consequence of the state of affairs. Many joined bands purely as a matter of existence. A band strong enough to overcome the ordinary force at a ranch or hacienda could at least obtain a supply of corn. In the absence of any established government, it was an easy matter to kill if any resistance were offered, as there was no danger of retributive justice. In various sections the strongest of the bands dominated, levied tribute on towns and villages, and ran affairs with a high hand. All the bands called themselves something or other, sometimes Constitutionalists, sometimes Villistas, sometimes Zapatistas, more often after the name of some local leader. A force of some three hundred men, calling themselves liberalists, surrounded the Suchi Lumber Company's property in the State of Mexico and demanded ten thousand pesos "for the cause." The written demand said

that they came as friends, but that, in the event of refusal, they would come into the camp with sword and firebrand, and the signature of the "general" commanding was followed by the words "Liberty, Constitution and Justice!" Many towns in the rural districts had had more changes in administration than the capital, and each change usually involved some new levy of taxes. Even with the organized movements there was little or no effort made to gather taxes systematically. Local leaders raised what they could to provision their forces. This naturally resulted in great abuses, as many unscrupulous officers took advantage of the situation to graft right and left. Leaders who had a strong following did not stop at petty grafting. They seized whole estates and appropriated all the proceeds from the sale of products. It is no exaggeration to say that half the large haciendas — farms, ranches or rural estates — were, at one time or another, operated by people who had no possible claim to them. The Constitutionalists, as a government, set a bad example. Properties belonging to "Cientificos" were liable to denouncement and subject to public administration, doubtless on the theory that they represented ill-gotten wealth of public enemies. The government "intervened" in these properties and leased them, frequently at purely nominal figures. Buildings and presses belonging to newspapers of "Cientifico" tendencies were "intervened" and loaned to men who would run newspapers friendly to the government. Private residences, rural estates and office buildings were taken over by the score. The government did not claim ownership of such properties, but only that of administration until their status should be determined by legal procedure. The number of "intervened" properties was so large that a special administrator was attached to the National Treasury

to take care of this particular work. The policy of the government was, doubtless, partly responsible for the fact that many local leaders seized things "on their own hook" without the formality of government action. In some cases the owners of properties were quite satisfied to have them seized by leaders with strong backing, as this was a protection against looting and wanton destruction. The property of foreigners was, as a rule, respected, and houses with American tenants were not likely to be disturbed. During 1915, with the Zapata-Villa-Obregon changes in Mexico City, a number of Americans were offered large city houses rent free if they would only occupy them.

Abuses of this sort brought much discredit on the government, and made foreigners feel entirely hopeless about the situation. It must be remembered, however, that the people had never had any experience in government and were totally unprepared to set up a new organization to take the place of the dictatorship they had overthrown. As a result chaotic conditions and excesses of all sorts followed the first successes. The government, just come into being, was not strong enough to control many of its own petty leaders. It had, moreover, to deal with a certain class of supporters who were using the cause for their own ends. It needed all the support it could get until it could be established on a sound basis, and it had to put up with all sorts of acts until that time could be reached.

In the rural districts far away from the large centers conditions were particularly bad. The majority of the well-to-do class moved, for safety, to the National Capital. A rural estate or remote mining plant, threatened with a raid by bandits, had no one to call on for help. A few American mining men in these remote

camps stuck it out a long time, and their lives, day after day, were full of excitement and adventure.

The simple tale of a little American girl of eight, overheard as she told it to a friend a year later, gives an idea of what was involved in trying to keep going under difficult conditions. "One day a lot of bandits rode into the camp," she said. "Mama and I were alone in the house and when they came up mama gave them something to eat, and they went away. Then they came back and got papa at his office, and took him away with them, and mama was terribly scared. They wanted a lot of money to let papa go, and we didn't have any, only a very little. They took papa to the hills but after a while he got away and came back all right. Then some other bandits came later, and they were going to kill everybody. We had two mozos (servants) who knew where there were some big caves we could hide in, and we went to these caves and stayed there. I think we were there three weeks. The mozos went into camp each night and brought us food. My pony got away from the cave and I was afraid the bandits had him. Well, after a while the bandits left that part of the country and we came back. My pony had come to the camp. My, I was glad to see him. Well, we stayed there a long time, but bandits kept coming and going, and papa could not send any ores away from the mine, so at last we came away. And our mozos cried when we left."

Bandits frequently raided large towns, and some of the bands were large enough to carry out a raid on a large city. There was no telling when they might appear. In Pachuca the mines, unable for a time to make shipments, accumulated a large amount of bullion. The country roundabout was full of bandits.

The manager of one of the large mining companies, in fear for the bullion and knowing that any attempt to conceal it would be useless, buried it in a bed of concrete several feet thick. If raided, he could say where the bullion was, and hope the process of digging it out would give time to secure assistance. Fortunately, there was no raid, but it later took the company two days to dig the bullion out.

Some thirty foreigners, cooped up in Toluca in the fall of 1915, hearing that conditions in the capital were tolerable, decided to make the trip, and asked a "Zap" colonel to send them through on one of the military trains. The colonel demanded a hundred dollars in gold, but as the party had nothing but paper money he agreed to accept a check from one of the men. The train started, climbed the high divide which separates the Toluca and Mexico valleys, and had started down the other side when the advance guard of the main "Zap" army was met, and it was learned that the "Zaps" had evacuated the city and that their retreat was being closely followed up by the Constitutionalists. The colonel in charge of the train then said he must take the train back, as he dared not risk losing the engine, so he left the foreigners at a bleak little station near the top of the grade and pulled out for Toluca. Incidentally he returned the check for a hundred dollars. The party saw a flat car on the siding and decided to chance a coasting trip on it down into the valley. The whole party, including six women, accordingly boarded the flat car, released the brakes and started down the grade. The car got going so fast that those on board could not stop it, and as they shot around a bend they discovered, to their horror, that the "Zaps" were marching along and on the railroad track. They shot through a body of two or three thou-

sand men, troops on the track scrambling off just in time, miraculously going through without a scratch. When the "Zaps" recovered from the surprise of the wild car plunging down hill they began firing at it, but no one was hurt. Farther down more troops were passed, and these were busy exchanging a desultory fire with Constitutionalist troops harassing them from the hillside above them. The car shot along, went through the straggling lines of the Carranza forces, and finally was brought to a stop in front of a large hacienda in the outskirts of the city. The wild ride was over, and the passengers, half scared to death, were glad to seek refuge in the hacienda, from which, later, they made their way into town.

These incidents give some idea of the conditions people lived in. Worst of all, perhaps, was the entire uncertainty of things. People who had stuck through it for months would, finally, on the strength of some new rumor, decide to leave the country. The control of any one party rarely extended over a zone long enough to permit any through railway service to the border, but sometimes, by a combination of roundabout routes, it was possible to get through. So a start would be made, only to wander around a few days in out-of-the-way places and then find that, since starting, conditions had changed and some essential section of the route blocked. Then a new combination would be tried, perhaps successfully. Railway travel was perilous. On the Vera Cruz line the Zapatistas wrecked a freight train and started some of the cars coasting down hill. The wild cars smashed into an upbound passenger train, which, with four hundred passengers, was thrown off the track and toppled over the edge, to tumble down a thousand feet or more into the bottom of the gorge. Trains, in spite of strong escorts on pilot trains ahead,

were repeatedly blown up with dynamite. Shooting at trains was common, and several times trains carrying escorts of a hundred men or more were attacked by bandit gangs. Travel was dangerous, and staying home involved living in a state of uncertainty and anxiety. But in many respects life went on as usual in the capital. People played golf, although the country around the golf course was full of bandits. One golfer, at least, was held up on the course, and as he had no valuables on him the bandits took his clothes and left him to wander back to the clubhouse in his underwear. Much of the brigandage was not particularly vicious. The bandits needed money for food, or wanted bits of jewelry or other baubles. Foreigners who knew the language and understood the people generally came through safely, but real danger, plus uncertainty, put all nerves on edge. The worst sufferers were the wealthy Mexicans, who, in many cases, were stripped of everything they owned.

The Zapatistas seized the Reforma mine in the State of Guerrero, and coined the bullion taken from the smelter into silver pesos. These pieces circulated freely for a time until some one discovered that the coins carried a large percentage of gold and were worth, intrinsically, more than double their face value. Paper money of all sorts, Constitutionalist and Villista, and issues of half a dozen state governments, appeared and disappeared with changes of government. Military leaders at times paid for supplies with money turned out on typewriters — money made on the spot. Even in the large cities there were no courts save those of petty magistrates to handle criminal cases. With no courts, with only a partially organized government (which might change any day), with little or no railway service, industries closed, an epidemic of typhus,

agriculture stopped, brigandage, military operations and factional fighting, conditions were desperate. In the rural districts the peons, failing to obtain work, flocked to the capital, which, with a hundred thousand or more refugees, was, in the worst possible shape. Altogether, affairs could not have been much worse. There was, however, no rioting. The peon class seldom voices its complaints if there is a show of authority.

Toward the end of 1915 there was some improvement. Railway service between the capital and Vera Cruz was on a fairly regular basis. The National Railway line from Laredo to Mexico City was again in operation, after a more or less complete suspension for a year. Seizure of properties in Constitutionalist territory ceased. Carranza, acting as provisional dictator under the title of First Chief, was beginning to shape something like a government into being. The Pan-American conference, "A. B. C." and the United States, at last gave the Constitutionalists recognition, and this was followed by similar action by Great Britain and Spain. The year 1916 opened up hopefully. Then came serious complications. One of the large American mining companies decided, in view of improving conditions, to resume operations, and sent a train, carrying employees and supplies, into Mexico. The train was held up by a Villista band under Lopez at the station of Santa Isabel, and seventeen Americans were lined up and shot. Carranza deplored the incident and sent forces to hunt down Lopez, who was captured and, with seventeen of his band, executed. The incident caused great indignation in the United States, and again demands were made on the Washington government for military intervention in Mexico. The excitement caused had barely subsided when a Villa band, on March 9, made a raid on Columbus, N. M., killing

many American soldiers and civilians. Additional American troops were immediately dispatched to the border, and General Pershing was ordered to go into Mexico and catch Villa. American troops crossed the line on March fifteenth, and General Pershing moved rapidly South in pursuit of Villa. Much friction arose through the presence of American troops in Mexico. The Carranza government had said it would give permission for American troops to chase bandits on Mexican soil if Mexico were given reciprocal rights. Pershing wished to use the Mexico Northwestern Railway for the movement of troops and supplies, and only obtained a tardy permission, for the handling of supplies only. Pershing, with only a small force, and obliged to keep open a long line of communication in a country which might prove to be hostile, could not surround Villa, who, although wounded in a skirmish, managed to escape to the mountains. As the troops advanced in Mexico the friction over their presence grew worse. Carranza military leaders considered the American force, strung out on a line a hundred and fifty miles long, as a wedge driven in anticipation of a large army of occupation, and finally notified Pershing that any further advance would be met with armed resistance. Twice American troops were fired on, and incidents at Parral and Carrizal threatened to plunge the two countries into war. State department assurances that there would be no intervention were not believed in Mexico, which began massing troops in the North. The United States government notified all Americans to leave Mexico. There was a general exodus, Americans leaving precipitately any way they could, by train, passenger steamers, "tramps" and transports. The American National Guard was called out and sent to the border. At the end of June war seemed inevitable, but early in

July Carranza proposed a conference over border questions, and Washington accepted the offer. In August the Mexican government named Luis Cabrera, Ignacio Bonillas and Alberto J. Pani as commissioners for the conference, while the United States named Secretary Lane, Judge Gray and John R. Mott. Sessions of the conference were held in New London, Conn., beginning early in September, and continued through the month there, and through the months of October and November at Atlantic City. In October the Mexican Commissioners asked for the withdrawal of American troops from Mexico as a preliminary to any discussions. This request was repeated at various times, the Mexican representatives insisting that the continuance of troops in Mexico was not only unnecessary and unfriendly but was also a very serious handicap to the government in internal affairs. Finally, a protocol was agreed on to cover the withdrawal, and also for the policing of the border, the protocol being signed by the Mexican Commissioners subject to Carranza's approval. Señor Pani went to Mexico and returned shortly with the statement that Carranza took the position that no protocol was necessary for the withdrawal of troops from Mexican soil; that the troops were in Mexico without Mexico's consent; that Mexico had repeatedly asked to have them withdrawn; and, finally, that, if the United States wished to show its friendship by withdrawing the troops, it could do so without any discussion or agreement. The conference then ended, and, while nothing definite had been accomplished, there was a better understanding on both sides and the way was paved for the establishment of more friendly relations. On January 2, 1916, orders were given to General Pershing to withdraw his forces, and a week later Henry P. Fletcher, appointed ambassador some months before but

held in Washington awaiting developments, was sent to his post. Shortly afterward the Mexican government named Mr. Bonillas as ambassador to the United States.

CHAPTER XVII

DIFFICULT CONDITIONS

Occupied, on the one hand, with foreign complications which promised, for some time, to involve the country in war, the government had been, on the other, beset with many very serious problems at home. The year 1916 had opened up with prospects of rapid improvements in the political situation. There were, however, many practical difficulties in the way. An epidemic of typhus, finding easy victims in the half-starved population, had swept over the country in 1915 with terrific virulence, reaching such proportions that the burial of the dead had, at times, been a difficult problem to handle. This epidemic, with the winter season, when people crowded together in close quarters, started up again, and its reappearance was enough to discourage the most optimistic. The government's paper money, which had held fairly steady, began, under the fear of foreign trouble and the uncertainties as to internal affairs, to decline rapidly, ending in a collapse which upset the whole industrial situation. A foreigner going to Mexico for a month's stay in the Spring of 1916, found the pesos worth four cents on arrival, and left later with the same pesos worth two cents. Such a slump naturally upset all classes of business and all industrial disputes. The general depression in business, coupled with the critical state of relations with the United States, resulted in a general lack of confidence in the government, and this, in turn, caused more

declines in currency and more economic upset. Some idea of the conditions prevailing during the Spring can be gained from a summary of housekeeping expenses. A house which had rented a few years before for two hundred pesos, or one hundred dollars, still rented for two hundred pesos, then worth about four dollars. Household servants received their old wages, twenty-five pesos (50 cents) per month for a cook, and 20 pesos (40 cents) for housemaids. Electric light bills for an average house amounted to twelve or fifteen cents, and water rates were less. Consequently, for six dollars a month one could have a large house, with servants, electric light bills and water rates paid. Ten dollars more would buy necessary food for a good-sized family, so that, for fifteen or sixteen dollars one could maintain a fairly luxurious establishment. Imported articles were high in price, and some domestic manufactured goods maintained a gold standard and consequently high prices. Generally, however, prices were ridiculously low. The old basis of tariffs in vogue on the railways, reduced to American currency, was a joke, the first-class fare and Pullman ticket from Vera Cruz to Mexico City, a twelve-hour ride, costing one dollar; first-class fare alone fifty cents; and second-class fare thirty cents, the last at the rate of one-eighth of a cent per mile. The price of a shoe-shine was 25 centavos, or one-fourth of a peso, the latter worth two cents — in other words, half a cent. Foodstuffs, however, were relatively high, always remaining, as articles of general necessity, at something like gold values. Moreover, disturbed conditions had cut down agricultural production, and part of the needed corn — the staple of the country — had to be imported, naturally giving corn a gold value. Thus, while foodstuffs had advanced 750, 1,000 or even 2,000 per cent., Mexican currency,

labor had advanced only 100, 150 or 200 per cent. The only workers who did not suffer acutely under these conditions were domestic servants, who, while their pay had not advanced, at least had shelter and food. Even they suffered when it came to the question of clothing themselves. An ordinary pair of serviceable shoes cost a hundred pesos, or two months' wages, while imported shoes of the $3.50 variety sold for 250 pesos. The average pay of some three thousand employees of public utility companies was, in March, less than four pesos, or eight cents U. S. currency, per man. So great was the distress that in many cases employees begged to be paid in food rations. The conditions were almost as bad as they had been during the last days of the Zapata occupation, when Zapata money had declined almost to the vanishing point. At that time a corner policeman, asking a resident for a tip, said he hated to beg, but was obliged to because of foodstuff prices.

"You know," he said, "a good sized cat sells in the market for 30 to 35 pesos. I get five pesos a day, so if I work a week I can just earn one cat."

The El Oro mining camp, overrun several times by bandit gangs, had closed down, throwing seven or eight thousand men out of work. The cotton mills at Puebla and Orizaba, employing thousands of workmen, were closed. Guanajuato, one of the oldest mining camps in Mexico, had dwindled from forty thousand inhabitants down to fifteen thousand — and there was no work even for those remaining. The great smelters, steel works and industrial plants at Monterrey — the sole support of a population of ninety thousand people — were all closed. And so all over the country.

Felix Diaz was stirring up trouble in Oaxaca, Zapata was dominant in Morelos, Guerrero and Michoacan, and

Villa was in possession of a large part of Chihuahua. There were almost innumerable bands of brigands roaming through the country. In addition to the troubles caused by military opposition, brigandage and industrial conditions, the government was confronted by very serious civil opposition. To understand this, it is necessary to briefly review past conditions. Under the former régime in Mexico there was practically no provision, politically, for a middle class. The government was an autocracy, managed by a few and in a great measure for the benefit of a few. These were the land owners on one hand, to govern, and the laborers, farm hands and Indians, on the other, to be governed. The middle class was an incident — shopkeepers, clerks, small professional men, small manufacturers, some small landowners. The middle class, on the whole, was an educated class dependent on the aristocratic class. It was fairly prosperous, and improving its position. The sub-leaders of the revolution came, generally, from the working class or from the less wealthy part of the middle class. With the economic upheaval which followed the revolution business came to a standstill. Shopkeepers sold no goods, factories had no orders, clerks had no work, professional men had no money. When paper money went all to pieces, the middle class suffered, perhaps most of all, as salaries and fees continued to be paid at the same rate as before but with half or more of the purchasing power of the money gone. The laboring classes, being more or less organized, could at least by strikes improve their position, or, organized as bands, they could seize goods. The middle class, reduced to extremities, too proud to beg, too educated to loot, could only suffer. Naturally, a large part of this class became bitter about the revolution. The aristocratic class, against whom the revolution was di-

rected, was even more bitter. The laboring class and the Indians, as a whole, enjoyed liberty and license at first, but began to grumble when their wages would not meet half of their needs. The government had, therefore, arrayed against it practically the united opposition of the old wealthy class, of an important part of the middle class, and of a certain part of the poorer and laboring classes, who wanted plenty of liberty but wanted cheap food with it.

In addition to these military and economic troubles, there was the solid opposition of the church. It is, perhaps, somewhat difficult to understand the relations between the church and party politics in Mexico. The Church and State had long been separated, and ostensibly there was no connection between the church and the political machine which for years dominated the country. The Church, however, had, perhaps scarcely realizing it, been a steady supporter of the autocratic government. It worked with the wealthy landowners, had their support and gave them its aid. It was opposed to any change, and, from the first, had been hostile to the revolution — not hostile, perhaps, to all of the revolutionary ideals, but opposed to any departure from the old order of things. Its position was similar to that of the church in Spain — an institution which, in the Middle Ages, had been a check on a turbulent people, but which, in time, became a brake on progress. Mexico had not the monastic orders, nor great numbers of priests, as in Spain, but the church had not, as in the United States, developed on broad lines of thought. Education was parochial and along limited lines. There were, to be sure, many devoted priests, and sisters of charity did much to relieve the suffering of the poor classes. There were, and are, ecclesiastics in Mexico whose vision is clear and whose logic is sound.

Nevertheless, the church has never been a factor for progress in Mexico.

Perhaps the feeling of Constitutionalist leaders toward the Church can best be shown by an interview the writer had with General Obregon in the Fall of 1916. The various factors of the situation were being discussed, when General Obregon, in his clear, sharp way, asked:

"Do you know any of the large haciendas?"

"Yes."

"Please describe them — the grounds, the buildings, and so on." Residence, peons' quarters, warehouses, and other features were enumerated, and finally the chapel was mentioned —

"Stop! Do you know what that is for?"

"To give the peons a place to worship."

"No," Obregon snapped out, bringing his fist down on the table, "that is where the poor peon is given the daily dose of spiritual cocaine to keep him happy and illusioned through the day."

This is, of course, an extreme view, but many people, including conservative Mexicans having no sympathy with the government, believe that there is a good deal of truth back of the statement. The church taught patience, obedience, peace, spiritual consolation. In the rural districts it was, intentionally or otherwise, hand-in-glove with the owners of the large haciendas. Obregon's bitter view of the situation was that the Church got anything that the estate owner overlooked — in other words, that the peon slaved for a pittance for the "hacendado" and then had to give up anything he had to secure repose for his soul. There were haciendas where conditions were ideal, where the estate owner had a fatherly interest in all his people, where the priest represented the ideals of religion,— and there

were haciendas where conditions were the reverse. Obregon, in his "Eight Thousand Kilometers of Campaign," makes some statements as to the morals of rural priests which are hard to believe, but which, at least, show the bitterness of feeling. Moreover, the program of the Constitutionalists, advocating civil marriage and divorce and restricting the authority of the church in several directions, was sufficient cause for hostility on the part of the clericals. The Church felt itself put on the defensive from the start. It may be said, incidentally, that Carranza and his family are Roman Catholics, as are nearly all of the leaders in the Constitutionalist movement, and their antagonism to the Church was not religious, but political. Whatever may be the right and wrong of the matter, the fact remains that the government had the united opposition of the church, and this, in a strongly Roman Catholic country, was no small matter.

The government was, therefore, through the year 1916, constantly facing the greatest possible difficulties — epidemics, extreme industrial depression, lack of confidence, civil opposition, church hostility, currency and financial difficulties, formidable military opposition, brigandage, and critical foreign relations. Viewing the United States as a possible, even a probable, enemy, a considerable portion of the army was occupied in the North in a defensive attitude, simply keeping tab on the American troops in the country. This cut down the number of troops available to meet armed opposition within the country, and also had the effect of stimulating rebellion. Villa and other leaders used the American menace as a rallying cry to recruit more men, and the increased strength of their forces made it much more difficult to push an effective campaign against them. The army was short of ammunition, which, because of

an embargo established by the United States, could not be obtained.

With a very large majority of the people discontented and hostile, the government was in a very difficult position. It had, to be sure, military support, but many of the troops were ill-trained and undisciplined. Many of the minor chiefs were quite independent and given to all sorts of excesses. In the early part of 1916 the streets of the capital were full of unruly officers, racing up and down in motor cars filled with fast women, and fights and shooting affrays in cafés and restaurants were common. The troops themselves were an element of grave danger. Paid in depreciated currency, at a rate of as low as five cents per day, they were likely, at any moment, to upset the whole scheme.

Many of the troubles of the government were directly or indirectly due to financial difficulties. The revolution started with no money in the treasury, and the government put out paper currency which, in the early days of the revolution, was accepted, along the border, at about thirty cents to the peso. Increasing issues gradually forced the price downward, and in April, 1915, its paper peso had a market value of about ten cents (United States Currency). The rapid changes of government in the National Capital in 1915, each accompanied by changes in currency, largely destroyed confidence in paper money. Carranza money would pass current so long as Carranza held the capital. The Zapatistas or Villistas, on occupying the city, would repudiate existing currency and issue their own, enforcing its acceptance as long as they remained in power. Then Carranza money, having meanwhile slumped in value, would come back again. Each issue would sag slowly in value, and then, immediately before evacuation of the city by those in power, it would slump violently — and a

sudden drop usually meant a new government on the scene. Speculators would buy all the paper offered, hold it for a possible change of administration or smuggle it through the lines to dispose of it in territory occupied by the faction issuing it. Some of the states had their own paper issues. There were, also, many bank bills in circulation, but there was always some uncertainty as to whether the banks were solvent, many of the banks having failed and all of them being closed down. In the capital the matter was complicated by the fact that the Zapatistas, on first taking the city, having no plates, used some old plates they found and ran off a lot of Carranza currency, decreeing, however, that only bills above certain serial numbers would be valid. All the bills were cheaply made, and a tremendous amount of counterfeits were in circulation.

How much currency was issued altogether by the various factions will never be known. The Constitutionalist issue of "Vera Cruz" money amounted to a total of eight hundred million pesos or more. This money, starting out with a market value of about ten cents, dropped steadily until, by the end of March, 1916, it was selling at about two cents. This money was, like the paper issues of other factions, merely a promise to pay, with no reserve back of it. The government then put out a new issue, to be backed by a reserve. This issue, known as "Infalsicables" (non-counterfeitable), was made in the shape of 5, 10, 20, 50 and 100 peso bills engraved by the American Bank Note Co. This issue appeared in April, and a portion of it was used to take up Vera Cruz bills at a ratio of 10 old for 1 new. The value of the new bills was placed at 20 centavos Mexican gold (10 cents U. S. currency) and by decree people were obliged to accept them at this rate. The government established a monetary commission through

which all the new money was to be purchased, and this commission maintained a theoretical ratio of 10 to 1. As soon, however, as through the exchange of Vera Cruz bills, and through the use of the new bills for pay-rolls, the new issue got into general circulation, there was outside speculation in the new bills at a discount. In spite of penalties provided, this outside speculation reached great proportions, and before long the new money was selling outside at 50% discount. The government finally lifted all restrictions, and the money, after holding around 4½ and 5 cents, began steadily going downward until it had reached, in December, a ratio of 500 to 1, U. S. currency. This issue was in part backed by a gold and silver reserve, instead of being nothing more than a promise to pay, and provision was made to add to the reserve from time to time until the metal reserve should equal 10 cents U. S. currency for every peso issued. The public, however, had lost confidence in paper money, and the total gold value of the issue, based on selling price, dropped to an amount far below the actual cash reserve on hand.

It is worth while to explain in some detail the reason for this steady decline. In the first place, there was a general lack of confidence, and a fear that, due to military or other needs, the gold reserve would be used for some other purpose. Furthermore, the daily course of events automatically sent the value down. For example: A merchant would sell something for which he had to get $50 gold. From past experience he was afraid he would lose by taking paper money. Assuming exchange to have been 40 to 1, the $50 would represent 2,000 pesos, but the merchant would put his selling price at 2,200 pesos to cover loss on exchange. Then, as he had to cover bills for new merchandise in gold, he would give the 2,200 pesos to his broker, telling him to sell

them to realize at least $50. The broker would collect 5% commission, or roughly 100 pesos, and offer the 2,100 pesos in the market for $50, or at a rate of 42 to 1 instead of 40 to 1. If the big mining companies and factories happened to be in need of bills for large payrolls, exchange would hold firm, but if there was no demand for paper exchange might drop 10% in one day. Several hundred men went into the brokerage business, each one of whom had a small clientele of shops from whom they collected paper money at night and sold it on the best terms they could in the morning. As every shopkeeper always, in his mind, and in his sales prices, discounted the paper by 10 to 15%, the shopkeepers, as a class, each morning had a large supply of paper which they were willing to sell at a liberal discount. Naturally, each transaction only opened the way for a further drop the day following, for with each drop the paper prices were advanced to 10% or 15% above current exchange rates. Under this process the U. S. gold value of the peso dropped, between September twentieth and November thirteenth — eight weeks — from three cents to one cent, then slumped to four-tenths of a cent and finally went out in a blaze of glory at two-tenths of one cent.

The effect of such wild fluctuations in the currency on the industrial and economic structure may well be imagined. One curious feature of the currency difficulties was that the farther away one got from the large centers, the lower was the market value of paper money. Rural districts had, to use an expressive slang phrase, been "stung" several times, accepting issues long after they had ceased to have value in the commercial centers, and they were very shy about taking paper money at any price. If they took it at all it was at a heavy discount. "Vera Cruz" money might be selling at 40 to 1 in

Mexico City, while a hundred miles away you could only get 60 to 1 or 80 to 1. The tendency in rural districts was to revert to primitive methods of barter, or to trade only in silver coin, some of which found its way into circulation.

Another very curious feature was the feeling of recklessness which possessed every one. With no certainty of what money would be worth the day following, the tendency was to get rid of it immediately — to waste it, to convert it into real estate or merchandise,— in fact, to do anything to avoid having it on you the next day. A Canadian gentleman, arriving in Mexico City, went to a bank to change twenty dollars gold into Mexican money. The banker advised him against reckless risk.

"If you need change, sell five dollars — twenty is too much. You can probably buy more pesos with the balance later. Don't change over five dollars at a time."

He was right. The peso dropped from 4 cents to 3 cents in a week. Besides, five dollars bought 165 pesos, and with street car fares at one-third of a cent and a liberal waiter's tip at two cents, one could not spend all the money in a week.

The issue of paper pesos was supplemented, for convenience in small transactions, by an issue of fractional currency — 5, 10, 20 and 50 centavos. This fractional currency was in the shape of bits of cardboard much like milk tickets. For ten cents silver one could get 100 5-centavo cardboard tickets, or at the rate of ten for a cent. At the time of the exchange of "Vera Cruz" money for the new issue, at the rate of 10 for one, the "Vera Cruz" peso was at a nominal value of one cent, but soon declined to a third of a cent. The Vera Cruz fractional currency, at a rate of fifty or sixty for a cent, of course, became worthless. The new issue of fractional money met with the same fate.

CHAPTER XVIII

CARRANZA AND HIS TROUBLES

With economic and financial troubles, civil hostility, foreign complications and internal disorder, the situation throughout 1916 was most discouraging, and time and again predictions were made that there would be a political turnover. The government, however, kept pegging away, and little by little conditions improved. Carranza moved the seat of government from Vera Cruz to Queretaro, the latter place being far more central. Although his forces occupied the National Capital, he preferred not to have his headquarters there. His enemies said he was afraid to visit the city. His real reason for selecting Queretero was doubtless a psychological one. The capital, the center of social, diplomatic and business life, was decidedly hostile, and life there would involve a constant struggle with a thousand and one complaints and grievances. Queretaro, an agricultural city of forty thousand people, was sympathetic, and the government, with its staff and departments, would easily be the dominating influence. People with troubles to discuss would not only have to make a tiresome seven-hour journey, but would, on arriving, find themselves in a purely government atmosphere. The man who, in Mexico City, backed by contact with sympathetic people, would be full of fight, would, after spending two or three lonely days in a poor hotel in Queretero, be in a much more subdued frame of mind. The coming and

going of special trains belonging to various generals, the delays in securing audiences, in fact, all the settings and surroundings, tended to greatly discourage every one who tried to get anything done, and consequently greatly cut down the number of visitors.

It was interesting, at this time, and quite amusing, to watch the people come and go. Carranza held an audience every morning, starting at ten o'clock and frequently lasting all day. The large reception room in the Governor's palace was crowded all day long with people waiting to see the First Chief — a general with four or five of his staff, with much air of bravado; a private, with legs shot off, on crutches, hoping to get some pension; a number of silk-hatted lawyers, with large leather cases full of papers; two or three widows, probably to get aid in property matters; a delegation of factory workers, in "jumper" suits; four or five peons in their white cotton suits and sandals, evidently a delegation of some sort, sitting silently together in a corner; a few business men looking nervously at their watches from time to time, the while eyeing each other suspiciously, each one wondering what the others were there for; two or three smart military aides, with much gold braid, running in and out of the various rooms; some rather ragged porteros whispering together; two sandaled soldiers, in white pyjamas, guarding the door and poking their guns at every one in a manner calculated to give a nervous person severe chills — and so on day after day. A day spent in waiting for one's name to be called always took some of the starch out of one's mental collar. Even the somewhat arrogant general and his staff, despots in their own domain, who had crowded in with considerable bluster, became subdued, and accepted gracefully the announcement that they must come again the day following.

Carranza has been praised to the skies by enthusiasts, and socialistic writers have seen in him the dawn of a new era for the world. He has, on the other hand, during four years, been the most cordially hated and abused man in Mexico. People say he is arrogant, vain, stupid, narrow, ignorant, a politician who caters to the passions of the ignorant to keep himself in power — in fact, about all the hard things which can be said of a public man. Up to a few months ago his government, to judge by common talk, was always on the verge of collapse, and sixty days more of political life was the maximum time limit usually set. But through it all he has kept pegging along, ignoring opposition, going over, through or around obstacles, full of confidence, always cheerful. Above all, he is a man of tenacity. Seemingly, he does not know what the word discouragement means. Newspaper correspondents who have campaigned with him say that reverses had as much effect on him as water poured on a duck's back. He would receive a telegram that an army had suffered a serious defeat, that strategic points had been lost and important cities evacuated, and would say, as undisturbed as ever, "Oh, well, we must expect this sort of thing; now we must see what the next best move is." Once his mind is made up, an attempt to get him to change his position is nearly useless. One of his leading supporters, in discussing certain pending matters, once gave a characteristic description of the man.

"I have had," he said, "many arguments and discussions with the First Chief, and several times have flatly disagreed with his views. There has never been anything unpleasant. He has always been calm and frank and courteous, but whenever, by way of emphasis, he has shot his chin out a little and his whiskers have pointed straight at me — then I have known that fur-

ther argument, at that time at least, would be quite useless."

This tenacity, combined with personal integrity, have given Carranza the continued support of all the able men in the Constitutionalist party. Even his enemies admit he is honest. When military graft and excesses were at their worst, in 1915 and in the early months of 1916, a good many people vaguely said that Carranza was "not in it for his health," but as time wore on the public came to the belief that the "old man" was straight. "He is misguided and stubborn, but personally honest," was the way one of the opposition put it recently. People who have thought him stupid have doubtless jumped at this conclusion from the fact that, in an interview, he rarely says anything. He lets you do all the talking, seldom expresses an opinion, and rarely commits himself. He is an excellent listener, paying close attention to what you say, looking at you with clear, frank eyes, his face — a strong one — pleasant but mobile. Whether standing or seated, his figure is erect, almost rigid, and his attitude, his eyes and his whole makeup give you an impression of a lot of force. You talk on and on, interrupted occasionally by a pertinent query, or a brief "Yes, I understand the matter perfectly," and the nearest you can get to an expression of opinion is, "Yes, that must be considered," or, "We will have to look into that."

Carranza is, unquestionably, a man of much force of character. He is a shrewd politician, and, if his own position in diplomacy or politics is none too strong, he will patiently wait and "sit tight" until he has some technical point of vantage which he will push for all there is in it. A dozen times he has played a waiting game, letting the other side do all the talking, but not losing a minute when an opportunity came to score.

For instance, the American-Mexican conference in 1916 indulged in much general discussion for a month. The American commissioners felt nothing was being accomplished, and said so. The Mexicans said that Mexico, irritated by the presence of American troops, did not want to take up any questions until the troops were withdrawn. More discussion followed, with proposals that the troops be withdrawn under certain conditions, but the Mexicans "sat tight" on insisting that the troops be withdrawn unconditionally. Finally, a protocol was drawn up covering the withdrawal, and the Mexicans, claiming such an agreement unnecessary, only signed under protest. There was much talk in Washington as to forcing terms. Carranza doubtless felt that the United States would not go to war over a question of forcing Mexico to sign an agreement for the withdrawal of troops. So he stuck to his position, and the troops were withdrawn without any agreement. Washington, to be sure, had no desire for armed intervention in Mexico, and this was, after all, the reason why the troops were withdrawn and every effort made to put matters on a friendly basis. Nevertheless, Carranza, diplomatically, scored, as he was able to tell Mexicans that, without yielding a single point or agreeing to anything, the negotiations had been successful in securing the withdrawal of the troops.

This policy of technical diplomacy has, of course, serious disadvantages, as it almost inevitably leads to irritation and even to a feeling of exasperation. The American-Mexican conference might have been of great help in bringing the two governments into more intimate relations, and, through this, in solving some of the perplexing problems in Mexico. As it was, technical maneuvering for position gave a general impression that Mexico was somewhat indifferent about problems affect-

ing American interests, that she did not want any help from the United States, and, that, on the whole, any discussion of matters along broad lines was impossible.

The Constitutionalist program proposes many reforms, and to what extent Carranza believes these can be brought about in the immediate future is an open question. Many of the troubles are due to ignorance. The people, living in a condition of servitude for centuries, lack energy and initiative, have little or no conception of government, and are limited in mental outlook. The development of a high tone of political and moral thought, and the uplift in the social position of fifteen million people, will, naturally, take a long time. Carranza's attitude on some of these problems leads many to believe that he expects reforms to move at a much faster rate than is consistent with sound growth. Others feel that he falls in with radical measures only in order to get started, and also to make the proletariat feel that social problems will receive due attention. Whichever may be the case, it is certain that his mind is set on certain ideals. This was shown in 1915, when, in the midst of general disorder and turbulence, and at a time when the government was scarcely established, he sent one hundred and fifty school teachers on a tour to see the schools in leading American cities.

Politically, Carranza is no beginner. He held important posts in the State of Coahuila, under General Diaz' régime, for a number of years, so that he had, before heading the revolutionary movement, an intimate knowledge of political and social conditions. He comes of a family having a considerable property, and has always been well-to-do, even rich if judged by Mexican standards.

Mexico City, occupied by Constitutionalists, Zapatistas, Villistas and others in rapid succession, was in a

demoralized state in 1915. Then, when the Carranza forces finally came to stay, a start was made on restoration of normal conditions. Pablo Gonzalez was put in command as military governor, and, by the Spring of 1916, he had placed the city in order so far as protection of life and property was concerned. Obregon, appointed minister of war, placed a check on the military excesses. Loose carousing around town ceased, business houses reopened, and people began to attend to their affairs much as if nothing had ever happened. By Fall things were running fairly smoothly. Railway service to Vera Cruz, to the American border, and to most of the important cities in Mexico, while attended with considerable risk from bandit operations, became fairly regular. Government departments, after an irregular sort of existence in Vera Cruz and Queretaro, settled down in the capital, and most of them, in the hands of some able men, were soon managing public business with a considerable degree of precision. A period of six months of organization was followed, in the Fall, by some serious effort to improve the economic situation. Discontent and business troubles had been, largely, due to currency troubles, and to stabilize the paper money several decrees had been issued, with little or no tangible results. Two or three times all the brokers in town had been jailed because of continued speculations in currency, and this had had no effect of bringing about stability. With the peso falling in value daily, there was much hardship, and labor was in constant unrest. A committee of employees would thresh out matters with their employers and reach a wage agreement. Ten days or two weeks later, when payday came around, the peso, having meanwhile declined, would have twenty or thirty per cent. less purchasing power. Then there would be new demands. Currency values were so uncertain that

frequently demands were made for an increase of one hundred per cent., partly to catch up for lost ground, partly to anticipate future declines. Strikes were constant. Many employers of labor used the situation as a means of underpaying their labor, and even when demands for increases were wholly or partially met there was usually a mental calculation that the new scale was, after all, much less than normal wages. Factories which had reopened were selling their products on a gold basis, and paying their labor with cheap paper. Mines, producing gold and silver, were paying wages in depreciated currency. To correct these conditions, a decree was issued in October, 1916, providing that all salaries and wages should be paid on a gold basis,— in gold or silver, or in paper at an equivalent to be fixed by the government every ten days. Under this plan, a drop in the gold value of the peso would be compensated by an increase in paper pay. An amplification of this decree provided that, in general, salaries and wages should be at least 60% of those paid in normal times, and that as conditions improved increases should be made to 70%, 80%, and so on until normal wages should be restored. The government had for some months realized that conditions would never be satisfactory until the currency was stabilized, and, as such stabilization was impossible, the next best thing was to arrange matters so that the purchasing power of wages would be constant. The decree referred to was met with jeers by most people, who saw in it only the government's admission of its inability to control the exchange situation. However, it was soon clearly demonstrated that the decree was to be of far-reaching consequences. Its first effect was to make labor more contented and to put an end to the innumerable strikes, lockouts and shutdowns which had been so prevalent. The next effect

was that, with wages fixed on a gold basis, even if payable in paper equivalent, the employer class could not save much by paper payments, and was the more likely to accept the demands for payments in gold and silver. Employers soon began paying on a part-paper, part-metal basis, and before long a large part of all payments of wages were being made in "hard" currency. Gold, silver and fractional currency, kept in hoarding for three or four years, began again to circulate. The working class soon demanded all wages in gold and silver. This, in turn, further depreciated the peso, which, in November, dropped from about two cents to four-tenths of a cent. The government then came out with a decree declaring a moratorium on paper and placing all business transactions, salaries and wages on a straight gold basis. The question of redemption of outstanding paper money was to be dealt with later. The resumption of metal currency payments immediately stimulated every line of business, and this, in turn, soon led to increases in wages to the figures paid in 1912 and 1913. More wages meant more buying power, and factories soon jumped back to something like normal production, resulting, in turn, of a heavy drop in the number of unemployed. The peso, worth one cent on November thirtieth, and dropping to four-tenths of a cent at the end of the month, on December sixth was back at its old value of 50 cents.

To say that the change and its consequences were amazing would be putting it mildly. For nearly three years gold and silver coins had been rarely seen, and had, in fact, vanished so completely that they might never have existed. They could be bought from bankers and brokers, chiefly for foreign transactions, but during this time the entire business of the country was done in paper. Then gold and silver began to be used in shops

dealing in imported goods — they sold for metal only, but at first gave nothing but paper change. Then this had extended to other shops. Then, following the decree called ley de pagos, or wage law, already referred to, the whole country suddenly awoke to find itself back on a sound currency basis. It is doubtful if the financial history of any country contains an example of as drastic a change as this.

The immediate effect of the change was to create a shortage in currency. The amount in circulation was comparatively limited. With the banks closed, checks could not be used, so that even large transactions had to be handled in coin. This, coupled with the demand for payrolls and ordinary trade, immediately sent currency to a premium, which for a few days was as high as ten and twelve per cent. In other words, to buy five hundred pesos in gold you had to pay, in New York exchange or other equivalent, five hundred and fifty pesos. To meet this situation the large concerns imported American gold and bills, which, for a time, circulated freely. The government opened its mint to free coinage, and the large mining companies turned all their bullion in for coinage. These companies would deposit a certain amount of bullion, and, on later receiving its equivalent in coin, would meet their payrolls and sell the balance against New York exchange. The mint was soon coining new money at a rate of half a million pesos a day, and within a month the premium on currency had dropped to nominal figures.

A curious problem, which, somewhat later, confronted the government, may be mentioned in this connection. The Mexican silver dollar had, normally, an intrinsic or metal value of 45 cents, more or less, depending on the market price of silver. The metal for years was worth in the neighborhood of 50 cents an ounce. Higher-

priced silver in the boom of 1906–7 sent the metal value of the peso to about 57 cents, and low metal prices had sent this value down to 37 cents at certain times. Generally speaking, however, the value fluctuated between 45 cents and 50 cents. With the rapid rise in silver price in 1917 the peso value (intrinsic) went to 62 cents — or a premium of about 25 per cent. on the legal value. This was bound to drive pesos out of circulation, and the government, as fast as they were turned in for taxes, and so forth, recoined them into half pesos pieces having a greater percentage of alloy. To force the coins into government hands United States gold was placed at a discount of two and one-half per cent., and United States Treasury and National Bank notes at twelve and one-half per cent. discount. These discounts, while seemingly absurd, compelled people who had taxes to pay, to find Mexican gold or silver coin, and the latter was then recoined into currency whose intrinsic value was lower than its legal value. In midsummer, however, silver took another shoot upward, reaching, early in the Fall, a high-water figure of $1.08 an ounce, or more than double its ordinary value. With this sudden increase the intrinsic value of the "toston," or half-peso piece, went far above its legal value, reaching a high mark of about 35 cents again — at a legal value of 25 cents — or 40% premium. At the same time the value of the Mexican dollar, or peso fuerte, went to 85 cents, against its legal value of 50 cents. These premiums naturally drove the currency out of circulation, and in September and October there was a great stringency in silver currency. One was likely, on paying for a small article with a ten-peso gold piece, to receive, in change, a five-peso gold piece and the balance, perhaps four pesos, in copper coins, 5-centavo nickels and 10-centavo silver pieces. The peso finally became

stabilized at 62½ cents and has remained at that figure for a year. This value is on the basis of the metal value of two half-peso pieces. On this basis, Mexican currency is at a premium of 25%.

The declaration of a moratorium on paper money left the question of redemption to be settled. A large part of the "Vera Cruz" bills had been turned in on exchange for the new issue, and the remainder were now taken up by giving short term bonds, in a ratio of one for ten. The bonds promptly sold at a heavy discount, but even at that the Vera Cruz money became worth something — about five cents on the dollar, against a previous value of next to nothing. The government, when "Infalsificable" money went to 200 and 300 to 1, bought in a considerable amount, but there still remained a large amount — probably 200 million pesos out of a total of 500 million printed — in the hands of the public. What to do with this was a problem. The government had started putting this out on a basis of twenty centavos gold, or ten cents, and had solemnly declared, by decree and otherwise, that it had this legal value. The government itself had, however, paid out, in wages, pay of troops and other disbursements, the greater part of the issue at figures far below this value, all the way down to two cents, or even less. To fix a redemption basis at ten cents gold would, consequently, have meant redemption at a higher value than the government had received for the bulk of the issue. On the other hand, redemption at a two-cent rate would be going back on government decrees and declarations. Finally, the ministry of finance hit on a beautifully simple and ingenious scheme, and a decree was issued providing that on all taxes, which were payable in gold, there should be a supertax of equal amount payable in "Infalsificable" money. In other words, the taxpayer

who had to pay in gold, one thousand pesos, was obliged to turn in, at the same time, one thousand pesos in paper. If the taxpayer did not have the paper pesos he could buy them in the open market. Under this plan the government had no responsibility for fixing the redemption value of the paper peso. Moreover, it escaped all expense of redemption. The paper money came in automatically. Under the stimulus of a sure market, the paper peso promptly went from 300 to 1 up to 50 to 1, and has stayed around the latter figure ever since. The taxpayer was the only sufferer, but as it cost him a supertax amounting to only about four per cent. of the amount of his taxes, the hardship was not great. If he had to pay one hundred dollars in taxes, the decree added about four dollars to his payment. More than half of the outstanding amount of paper money has been gathered in by this clever arrangement. When the supply begins to run short the government can reduce the percentage of surtax in inverse ratio to the market price of paper money. Eventually the whole issue will have been wiped out without any expense of redemption. When the decree was first put out some of the foreign taxpayers did some grumbling over increased taxes, but one and all wore broad grins in discussing the ingenuity of the plan.

The paper issues of the government were failures, and were doomed to failure from the first. The currency fluctuations caused much trouble, and discredited the government. There is, however, another important point to consider. The revolution started without money and without credit, was financed through to success on paper money, and the government was finally in a position to go on a gold and silver basis. When outstanding bonds issued on Vera Cruz money are taken up and the last of the "Infalsificable" bills called in,

the whole paper operation will have cost the government probably less than five million dollars. To put through a revolution, maintaining from fifty thousand to a hundred thousand men in the field for three years, is no small achievement. From this viewpoint the paper issues were successful. It is true that, when the government became fairly established, and particularly when it had to pay its troops in coin, it met with a deficit, which, as will later be pointed out, was covered by forced loans from the banks. The fact, however, remains, that the revolution, starting with nothing, was, in spite of bitter opposition and continuous fighting, carried through to the point where an established government had at least a dominant control of the whole country, and all on paper issues which, when all cleaned up, will represent a total expense of four or five million dollars. Whatever may be individual opinion as to the government, this accomplishment is full justification for the issues of paper money. Much as one may criticize a scheme which was bound to upset economic conditions, the final success of the revolutionary cause at least shows great resourcefulness on the part of the leaders. Paper money was a creature of necessity. As demands grew its volume was increased, and finally inflation reached the point where the supply was greater than the demand, with all sorts of evil consequences attendant on the collapse of issues. At times it threatened to break down the government. Nevertheless, when all is said and done, it was the only financial structure the government had, and it served its purpose.

There were amusing features to the paper money scheme. A mining company, needing a large amount of bills, sent a representative to the government seat at Vera Cruz to buy bills with New York drafts. The treasury did not have sufficient currency on hand, but

promised to start the presses on the order in the morning. The job was started next day, and the presses ground away two days. Then the mining man, who was waiting at a hotel while his order for money was being printed, suddenly found himself fairly buried with paper money — whole cartloads of it. He finally got it all baled up and took it home on the train. Whole truckloads of paper were needed at mines and industrial plants to pay off men, and the sight of motor cars, loaded full with money, was not uncommon. As the money depreciated in value people became utterly careless about it. Small bills were, in banks and brokers' offices, done up in bundles of 500 or 1000 pesos, and time and time again these bundles would go through a score of hands without being counted. The money was so cheap that it was hardly worth counting — at least, that was the sensation produced by having slathers of it everywhere. As government succeeded government, having in one's possession any money of opposition issues was a criminal offense for which one was liable to imprisonment and to a fine equal in amount to the money found on the victim. People passed the money along as fast as they got it, but a few, usually foreigners, frequently got "stuck" with considerable amounts of worthless issues. One large foreign concern carried in its vault a million or more pesos of Villa money, and continued for two or three years to regard this sum as a cash asset, although the money had become absolutely worthless.

The usual operation of a creditor hunting for a debtor was reversed. People who owed money were always hunting for their creditors and trying to force them to accept payment in the currency of the day. Civil courts being suspended, they had much trouble doing this, but they frequently got a policeman to go with them to see a

creditor and try to force payment on him. A decree was issued in the Fall of 1916 providing that debts over three years old could be paid at a ratio of five paper pesos for every peso. This, with the possibility of lifting a debt, contracted in gold, at ten or fifteen per cent. by paying in paper pesos, created a fresh rush on the creditor class. Finally, shortly before paper went out altogether, various decrees were issued providing, in general, for the discharge in debts on a gold basis, account being taken of the rate of exchange prevailing when the debts were contracted. This, and the return to a gold basis, cleared up the situation.

Mexico, for four years, has been doing business without any banking system, and this extraordinary condition has been a very serious factor in the restoration of economic and industrial affairs to a normal basis. With the general upheaval which followed Huerta's fall, practically all the banks closed their doors. In fact, many of them closed during the Huerta régime. The public, alarmed by the trend of political events, began withdrawing money from the banks, and Huerta, to stop these runs, issued a decree declaring all days to be legal holidays. Since that time banking business has practically been limited to foreign exchange transactions, handled by a few foreign-owned banks. At first the banks were anxious to realize on commercial paper they held — loans to manufacturers, retail houses, and so forth, but disturbed political and business conditions made collections very difficult. At the same time depositors insisted on withdrawing their money. With no money coming in, and collections on paper slow or impossible, practically all banks had to suspend operations. Then, when the peso fell to ten cents, five cents, and so on downward, conditions were reversed. People owing money to the banks wanted to take up their notes,

making payment in depreciated money, and all sorts of compromise settlements were made. The banks were now as anxious to get rid of their deposits as they had been to keep them. Every bank conducted a campaign to induce its clients to withdraw their funds, but the depositors objected vigorously to being paid off in money worth five or ten per cent. of what they had originally deposited. Again compromises were resorted to, and a good many accounts were closed out. The successful banker was the man who, at the end of a month, could boast that he had, during the month, coaxed or bullied a goodly percentage of his depositors to withdraw their funds. One large bank which wanted to wind up its affairs was only prevented from doing so by the fact that a long list of depositors flatly declined to withdraw their accounts on terms offered them. With the return to a gold basis at the end of 1917 the depositors had good reason to congratulate themselves on having hung on. The return to a gold basis, so far as the banks were concerned, worked both ways. The commercial paper they held, assuming the clients to be solvent, went back to par.

The lack of bank accommodations put merchants on a strictly cash basis, and any replenishment of stocks had to be made out of cash accumulated from sales. In the unsettled state of affairs, and with risks of loss in transportation, many merchants would do no buying, and, with limited stocks to sell, they marked up their wares to high figures, and did all business on a basis of small sales and large profits. Imported articles went to two, three and four times their normal prices. Due to the general depression all retail business suffered, but some concerns, dealing in special lines, made, at the high prices prevailing, more money than they had ever made under normal conditions. One foreign concern, with

ample cash to keep its stocks of goods up, cleared over fifty thousand dollars in 1916, as against a best previous record of half that amount.

Soon after paper money made its appearance the government became involved in a wrangle with the banks, charging that they were responsible for the depreciation of the currency. It was alleged that the banks "pegged" the rate of exchange day by day, and, knowing in advance what rates would be, made large profits by going short on the money market. The bankers always had a fair idea of what foreign exchange demands were, and they could judge, by offerings from brokers, of the amount of paper money available. They were thus able to calculate, with some degree of accuracy, what exchange was likely to be the day following, or even two or three days in advance. Doubtless some of them made money by speculation, and, as with increasing quantities of paper the tendency of the market was downward, they were usually on the short side of the market. While the banks, or some of them, profited by the situation, the contention that they deliberately ruined paper money appears to be unfounded. A bank, of all institutions, requires economic stability, and that a group of banks would deliberately set out to ruin the currency of a country seems preposterous. The basic trouble lay in the inherent weakness of the currency. The bills were promises to pay, issued solely on the credit of the government — backed by faith only. In the chaotic conditions prevailing no one had much faith, and this, coupled with the fact that a fresh supply of bills was pouring out of the treasury at the rate of a million pesos or more per day, naturally resulted in a steady decline. As pointed out before, the government had no choice in the matter. It had to put out paper money to meet its military and civil expenses, and,

everything considered, its paper operations served their purpose. The unfortunate feature of the matter was that some of the public officials became convinced that the banks had combined to discredit the government and its currency, and were willing, if necessary, to pull down the whole economic structure of the country to bring about a political change. This reasoning, combined with the impression that the banks were all making huge profits out of declines in exchange, led to the most unfortunate results. From time to time bank managers and directors were arrested and jailed, and decrees were issued suspending the circulation of bank notes,— acts which tended to discredit the government both at home and abroad. Under former banking laws banks could put out in circulation bills secured by fifty per cent. of cash and bullion and fifty per cent. of commercial paper, mortgages and other assets. In the summer of 1916 a decree was issued requiring the banks to bring their cash assets up to the full legal requirements, a condition impossible, in most cases, to comply with. As a result of this decree the National Bank of Mexico, controlled by French interests, and the Bank of London and Mexico, chiefly owned in England, were declared to be in a state of liquidation, and the government named liquidators to take charge.

The government, meanwhile, had been obliged to meet a large part of its expenses with gold payments. There was no gold in the treasury, and there was a deficit amounting to some ten million pesos per month. To meet this situation the government forced loans from the National Bank and Bank of London and Mexico, and repeated the operation several times, finally practically exhausting their bullion and cash reserves. Hostile foreigners refer to this operation as the looting of the banks. Drastic as this action was, there was good

ground on which to justify it. The government had already increased taxes to as high a point as good policy would warrant, and any considerable increase of revenue from this direction was impossible. In the demoralized condition of business, an internal loan would have been a total failure. A foreign loan under the conditions was impossible. The government, after four years of fighting, had established itself and was bringing order out of chaos. Money had to be found with which to pay troops, or the army would revolt, and a new upheaval, on top of several turbulent years, would inevitably have resulted in a state of anarchy. The money in the banks was the only money available, and it was taken as the only way out of a very difficult situation. Since that time the revenues of the government, due to gradual normalization of conditions, have increased steadily, and present income is sufficient to take care of current needs. When a loan can be floated the banks will have to be repaid, and, in the opinion of people most competent to judge, they will eventually be properly taken care of.

The government contemplates at some future date the starting of a new bank of issue, to be backed by cash assets derived from the sale of certain railway interests and from other immediate and future sources. Issues of the new bank will be secured by its cash assets and by commercial paper, something along the lines on which the American Federal Reserve system is organized. If, with past experience to guide future action, due care is taken to place cash assets where they cannot be used for emergency government needs, the new bank's issues will have public confidence, and the bank will form the nucleus around which a new banking system can be built up. It would seem that the safest way to secure the entire confidence of the public would be to

deposit bullion and cash assets with a group of banks in New York, London or Paris. There would be no chance of feeling, even on the part of the most timid, that assets back of the bills might be used for some other purpose.

As pointed out before, some of the banks of Mexico were weak long before the revolution started, the assets, in many cases, being of doubtful value. There never was any proper system of bank inspection, and throughout the country there had been much looseness in making loans to favored people. This, combined with depreciation of assets which would, normally, have been good, but which, due to many failures incident to the general business collapse, makes the future of many existing banks quite uncertain. The general program of the government to limit circulation to one bank of issue is, considering conditions, an excellent one, as it will prevent the circulation of a great number of bank notes of doubtful value. Some of the state banks, as, for example, the Bank of the State of Nuevo Leon (Monterrey), have had good assets and have managed, in spite of all the upheaval, to keep these intact. Such banks will be able to resume business. Many banks will have to be liquidated, but may show sufficient assets to warrant reorganization. To take care of the needs of various communities many new banks will have to be started. In a country where there is, even normally, comparatively little capital available, the organization of a new banking system will present many difficulties. An adequate banking system is, of course, essential, but in creating it great care will have to be taken to insure its soundness.

The sudden change to a gold basis brought about a rapid revival of business. Day labor jumped from ten cents to fifty cents, and this created a greater purchasing power in the country. With the reopening of factories

there was a new demand for labor. Good prices for foodstuffs stimulated agricultural pursuits, and haciendas which had lain idle for two or three years again resumed operations. This also resulted in an increased demand for labor. With work for all who wanted it many who had been roaming the country as bandits again took up peaceful pursuits. The improvement in economic conditions brought about a great change in the attitude of the public toward the government. The peon class, for three years half starved, was again back on full pay, and was, at least relatively, so well off that it became almost enthusiastic for the government. The skilled mechanic class was better off than it ever had been, with higher wages and shorter hours, and, forgetting all its past troubles, became an ardent supporter of the government. In the middle class, shopkeepers were doing a good business, and professional men and clerks were again in receipt of "hard money" incomes, and for them the new order of things promised opportunity. So the middle class, which had, perhaps, suffered most, and which had been very bitter against the government, now began to speak for it. The property owning class, although still out of sympathy, began to feel that the government was going to last, and its attitude changed from one of open hostility to reluctant acquiescence to the new order of things. Thus the government, opposed a few months before by all classes, now found itself with a considerable public backing. It has been said many times that public opinion in Mexico amounts to nothing, and that a government only needs military power to live. This, with a large mass of ignorant people, is more or less true, as was demonstrated by the fact that the new government, backed by military strength, pulled through in spite of practically united civil opposition. Nevertheless, the new civil support, through removing

causes of discontent, greatly reduced any danger of organized opposition,— destroying, so to speak, the settings which any other faction would need to stage a new performance.

Nothing better illustrates the improvement in conditions than the earnings of public utility corporations such as tramways, lighting and power plants and railways. The tramways system in the National Capital in the Spring of 1916 had had daily receipts of about 30,000 pesos, equivalent, in gold, to one thousand dollars, while a year later daily receipts were over 20,000 pesos, equivalent to ten thousand dollars. The light and power company supplying all the territory in the vicinity of Mexico City with electric service, had had, in the early months of 1916, gross monthly receipts, in gold figures, amounting to less than twenty thousand dollars — and this for a concern with fifty million dollars of investment,— while a year later the monthly receipts had jumped to over one hundred and fifty thousand dollars. National Railway earnings increased from less than four hundred thousand dollars in November, 1916, to over one million three hundred thousand dollars in January — only two months later. Similar increases were made by public utility concerns all over the country, the major part of all increases being due to change in the currency value.

CHAPTER XIX

THE NEW CONSTITUTION

The government had, for some months, been awaiting an opportunity to return to a constitutional basis. The dictatorship, with Carranza as First Chief, was an emergency affair, created because of chaotic conditions, but its continuance produced an embarrassing situation in both foreign and domestic relations. Foreign governments were unlikely to give a dictatorship full support. At home, Carranza and his immediate assistants were occupied with a vast amount of detail due to the fact that ordinary constitutional procedure was, for the time being, suspended, throwing on them the settlement of all judicial and administrative problems. Moreover, many military leaders, knowing Carranza to have the final say in all matters, were constantly asking favors and privileges which it was difficult to refuse, and the reëstablishment of a constitutional basis would automatically cover the situation. Accordingly, arrangements were made to hold a convention at Queretaro in February, 1917, for the purpose of adopting a new constitution. The return to a gold basis and the general improvement in economic conditions justified the claim that the time had arrived to put into legal effect the general program of the Constitutionalist party. By way of preparation several commissions were named to prepare drafts of the various sections of the proposed constitution.

The convention duly met at Queretaro. Delegates

were present from all sections of the country, and as, in their selection, open support in the past of the Constitutionalist cause was a requisite, there were no representatives of any other political creed. There were, however, three wings in the Constitutionalist party, conservatives, militarists, and extreme radicals. The conservatives were small in number and influence. The militarists were largely governed by selfish motives. The radicals were in favor of the most drastic sort of changes in the constitution, with provisions for idealistic measures for the working classes and with generally socialistic tendencies. The make-up of the convention was disappointing. The majority of delegates were men of no experience in government, many of them entirely lacking in the qualities necessary to fit them for consideration of the business on hand. The government program, partly conservative and partly radical, was drawn up on theoretical lines. The government, from the very start, had received its strength from ranchers, lawyers, engineers and military men, and had never received any sympathy from the business or commercial element. Its tendencies in constitutional reforms were, therefore, toward following professional lines of reasoning without reference to the practical application of theoretical ideals. The general spirit of the convention was to attempt to immediately correct, by one document, all the ills of four centuries of unsatisfactory conditions. There was much wrangling between the different elements comprising the convention, and at times it looked as if nothing would be accomplished. The government doubtless felt that it was better to yield some points than to have the whole work fail. Moreover, many leaders took the position that they now had the chance to get a fresh start; that if reforms were not immediately provided for by the constitution so many influences would

be brought to bear that they would never be brought about; that it would be better to put through radical measures and modify the details later than to do nothing; and finally, that the majority of the convention demanded a sweeping reform of the constitution, and refusal to comply would mean a disastrous blow to the government. The new constitution, a compromise measure, was finally adopted, and the convention adjourned.

The constitution, as adopted, has been the subject of much discussion, praise and ridicule. The sentiment of extreme reformers in Mexico and the United States has been that the document would do much toward the elevation of the masses. The opinion of Mexican business men and of foreigners resident in Mexico is that many features provided for are impractical, but their denouncements are frequently so sweeping as to lose weight. The opinion, expressed by many, that the whole constitution is too ridiculous to receive serious consideration is not, in general, supported by a careful study of the matter. It is quite true that the constitution is idealistic, and that in aiming at ideals practical considerations of application to existing conditions have been ignored. It is equally true that some of the Utopian plans would be difficult to carry through even under a highly developed social scheme, and far less likely to succeed under prevailing conditions in Mexico. However, the number of these radical provisions is limited. The work, as a whole, contains much less matter subject for criticism than first impressions, gained from common hearsay, would convey.

In general, the constitution was drawn on the lines of the constitution of 1857. Provisions for civil and personal rights, judicial organization and procedure, powers of National and State legislatures, the duties and

powers of the President, civil administration, and national defense, are clear and in keeping with similar provisions in the constitutions of other nations. Every precaution is taken to prevent a return to an autocratic government. There were many modifications of the 1857 constitution, such as explicitly limiting the authority of military tribunals to persons belonging to the army, and to providing for a separate place for detention of prisoners awaiting trial instead of having them confined, as has been the practice, with persons serving sentences. These and other such modifications were made either to clarify the old provisions or to safeguard personal rights. It is scarcely necessary to describe, in detail, the various clauses, and discussion of the question may advantageously be limited to the features which, in departing from what may be called general practice or in radically altering Mexican law, have attracted attention. Even a discussion of such features must necessarily be restricted to general treatment.

Without reference to their order, various items dealing respectively with the Church, with the land questions, with labor questions, and with rights of foreigners, may be grouped for convenience.

Liberty of religious thought is guaranteed, but places of public worship shall be under government supervision. All church buildings, rectories, asylums, convents, colleges and schools belong to the Nation. The Federal government shall designate which of them may be devoted to religious worship or to the various purposes to which they have been dedicated. Public and private charitable institutions, for the sick and needy, for scientific research or for the diffusion of knowledge, shall not, under any circumstances, be under the administration or supervision of religious orders nor of priests or ministers, even if the latter be not in active service. Priests

and ministers, of whatever denomination, have no right of franchise, and must refrain from political comment.

Church and State have had no direct relation for many years, but heretofore, while the church was barred from owning rural estates, it could own church buildings, school property, and so forth, and could make investments in city property. The new provisions are designed to make it a purely religious institution.

The provision for new land laws are important and radical. All proceedings, decisions or concessions which may have deprived hamlets, tribes or other settlements of community lands owned by them in 1856, are declared null and void, and all such lands are to be returned to their original owners. This provision is intended to make restitution of tribal and village lands which, by various grants and concessions, or by legal proceedings, have been absorbed by the large haciendas. Due to lack of proper records, many of the old titles were faulty, and, in fact, in many cases there were no titles to community lands which had been held by tribes for centuries. It is claimed that the great land owners took advantage of this situation and calmly took possession of community lands, making formal denouncement of the property as waste land, or secured possession of lands under concessions giving them title to all lands, within certain areas, on which no prior title existed. There appears to be no doubt but that tribes and communities were defrauded out of many holdings. The Yaqui Indians, for centuries owners of large areas of fertile lands in the Yaqui Valley, lost all their property through this sort of manipulation. The general plan of restoration of lands is a just one, and the only difficulty likely to arise out of this provision is in the case of lands which, since acquisition by private holders, have changed ownership.

Provision is made that each state shall fix the maximum area of land which one person may own. The excess above such area shall be sold by the owner under such provisions as the respective states shall make. In the event of failure of the owner to sell within the time specified by the State law, then the state shall take over the property by expropriation, compensating the owner in special bonds secured by the land and guaranteed by the State, and shall resell the land in parcels, taking payment in twenty annual installments to cover principal and interest. This provision is designed to break up the great estates and to enable the poor man to acquire land on easy terms. Another clause provides that each state shall decide the area of land which shall constitute a family patrimony. Such land shall be inalienable, and shall not be subject to attachment. This provision is interesting as an effort to prevent an Indian, once he has acquired a piece of land, from disposing of it by sale or through mortgage, and was doubtless prompted by experience in connection with Madero's hastily conceived and ill-fated land distribution scheme. Madero seized large properties which, it was claimed, had been taken away from tribes and villages, and made land allotments. The Indian, on receiving a piece of land, immediately disposed of it to any one who would buy, even if he only received a few pesos for it, with the result that the bulk of the land allotted passed immediately into the hands of speculators. The general idea back of this provision is, doubtless, to assure a piece of land to every family. The constitution, however, makes no provision to cover the succession of patrimony, it doubtless being figured that one general redistribution will be sufficient remedy for past evils. Another provision of the constitution says that " all contracts and concessions made by former governments from and after

the year 1876 which shall have resulted in the monopoly of lands, waters and natural resources of the Nation by a single corporation or individual, are declared subject to revision, and the executive is authorized to declare those null and void which seriously prejudice the public interest."

The constitution, in the way of general anti-monopoly legislation, makes the following declaration: "The law will accordingly severely punish and the authorities duly prosecute any accumulation or cornering by one or more persons of necessaries for the purpose of bringing about a rise in price; any act or measure which shall stifle or endeavor to stifle free competition in any production, industry, trade or public service; any agreement . . . entered into by producers, manufacturers, merchants, common carriers . . . to stifle competition and to compel consumers to pay exorbitant prices; and in general whatever constitutes an unfair and exclusive advantage in favor of one or more specified persons to the detriment of the public in general or of any special class of society." Patents and copyrights are specifically exempted from the provisions of the above.

In dealing with the general question of monopoly, there is the following regarding labor unions: "Associations of labor organized to protect their own interests shall not be deemed a monopoly. Nor shall coöperative associations or unions of producers be deemed monopolies when, in defense of their own interests or of the general public, they sell directly in foreign markets national or industrial products which are the principal source of wealth of the region in which they are produced, provided they be not necessaries, and provided further that such associations be under the supervision or protection of the Federal Government or of that of the States, and provided further that authorization be in

each case obtained from the respective legislative bodies. These legislative bodies may, either on their own initiative or on the recommendation of the executive, revoke, whenever the public interest shall so demand, the authorization granted for the establishment of the associations in question."

Provisions as to the labor question will be dealt with in a separate chapter.

Of especial interest to foreigners is the following provision with reference to ownership of lands, mines and mineral fuels: "Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership in lands, waters and their appurtenances, or to obtain concessions to develop mines, waters or mineral fuels in the Republic of Mexico. The Nation may grant the same right to foreigners, provided they agree before the Department of Foreign Affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their Governments in respect to the same, under penalty, in case of breach, of forfeiture to the Nation of property so acquired. Within a zone of 100 kilometers from the frontiers, and of 50 kilometers from the sea coast, no foreigner shall under any conditions acquire direct ownership of lands and waters."

This has created much discussion and brought forth protests from foreign governments. Article 14 of the Constitution says that "no law shall be given retroactive effect to the prejudice of any person whatsoever." By inference, therefore, the above clause would not apply to lands or mines already owned by foreigners, although whether the courts would so construe is open to doubt.

The labor element did not propose to be satisfied with any general provisions as to the rights of labor, and the constitution, as adopted, gives much detail which nor-

mally would be embodied in legislative action rather than covered by constitutional provisions. This detail, covered by Article 123, on "Labor and Social Welfare," is sufficiently interesting to warrant giving it in full, as follows: "The Congress and the State Legislatures shall make laws relative to labor with due regard for the needs of each region of the Republic, and in conformity with the following principles, and these principles and laws shall govern the labor of skilled and unskilled workmen, employees, domestic servants and artisans, and in general every contract of labor. 1. Eight hours shall be the maximum limit of a day's work. 2. The maximum limit of night work shall be seven hours. Unhealthy and dangerous occupations are forbidden to all women and to children under sixteen years of age. Night work in factories is likewise forbidden to women and to children under sixteen years of age; nor shall they be employed in commercial establishments after ten o'clock at night. 3. The maximum limit of a day's work for children over twelve and under sixteen years of age shall be six hours. The work of children under twelve years of age shall not be made the subject of a contract. 4. Every workman shall enjoy at least one day's rest for every six days' work. 5. Women shall not perform any physical work requiring considerable physical effort during the three months immediately preceding parturition; during the month following parturition they shall necessarily enjoy a period of rest and shall receive their salaries or wages in full and retain their employment and the rights they may have acquired under their contracts. During the period of lactation they shall enjoy two extraordinary daily periods of rest of one-half hour each, in order to nurse their children. 6. The maximum wage to be received by a workman shall be considered sufficient, according

to the conditions prevailing in the respective regions of the country, to satisfy the normal needs of the life of the workman, his education and his lawful pleasures, considering him as the head of a family. In all agricultural, commercial, manufacturing or mining enterprises the workmen shall have the right to participate in the profits in the manner fixed in Clause IX of this article. 7. The same compensation shall be paid for the same work, without regard to sex or nationality. 8. The maximum wage shall be exempt from attachment, set-off or discount. 9. The determination of the minimum wage and of the rate of profit-sharing described in Clause VI shall be made by special commissions to be appointed in each municipality and to be subordinated to the Central Board of Conciliation to be established in each State. 10. All wages shall be paid in legal currency and shall not be paid in merchandise, orders, counters or any other representative token with which it is sought to substitute money. 11. When owing to special circumstances it becomes necessary to increase the working hours, there shall be paid as wages for the overtime one hundred per cent. more than those fixed for regular time. In no case shall the overtime exceed three hours nor continue for more than three consecutive days; and no women of whatever age nor boys under sixteen years of age may engage in overtime work. 12. In every agricultural, industrial, mining or other class of work employers are bound to furnish their workmen comfortable and sanitary dwelling-places, for which they may charge rents not exceeding one-half of one per cent. per month of the assessed value of the properties. They shall likewise establish schools, dispensaries and other services necessary to the community. If the factories are located within inhabited places and more than one hundred persons are employed therein, the first of

the above-mentioned conditions shall be complied with. 13. Furthermore, there shall be set aside in these labor centers whenever their population exceeds two hundred inhabitants, a space of land not less than five thousand square meters for the establishment of public markets, and the construction of buildings designed for municipal services and place of amusement. No saloons nor gambling houses shall be permitted in such labor centers. 14. Employers shall be liable for labor accidents and occupational diseases arising from work; therefore, employers shall pay the proper indemnity, according to whether death or merely temporary or permanent disability has ensued, in accordance with the provisions of law. This liability shall remain in force even though the employer contract for the work through an agent. 15. Employers shall be bound to observe in the installation of their establishments all the provisions of law regarding hygiene and sanitation and to adopt adequate measures to prevent accidents due to the use of machinery, tools and working materials, as well as to organize work in such a manner as to assure the greatest guarantees possible for the health and lives of workmen compatible with the nature of the work, under penalties which the law shall determine. 16. Workmen and employers shall have the right to unite for the defense of their respective interests, by forming syndicates, unions, etc. 17. The law shall recognize the right of workmen and employers to strike and to lockout. 18. Strikes shall be lawful when by the employment of peaceful means they shall aim to bring a balance between the various factors of production, and to harmonize the rights of capital and labor. In the case of public services, the workmen shall be obliged to give notice ten days in advance to the Board of Conciliation and Arbitration of the date set for the suspension of work.

Strikes shall only be considered unlawful when the majority of the strikers shall resort to acts of violence against persons or property, or in case of war when the strikers belong to establishments and services dependent on the government. Employees of military manufacturing establishments of the Federal Government shall not be included in the provisions of this clause, inasmuch as they are a dependency of the national army. 19. Lockouts shall only be lawful when the excess of production shall render it necessary to shut down in order to maintain prices reasonably above the cost of production, subject to the approval of the Board of Conciliation and Arbitration. 20. Differences or disputes between capital and labor shall be submitted for settlement to a board of conciliation and arbitration to consist of an equal number of representatives of the workmen and of the employers and of one representative of the Government. 21. If the employer shall refuse to submit his differences to arbitration or to accept the award rendered by the Board, the labor contract shall be considered as terminated, and the employer shall be bound to indemnify the workman by the payment to him of three months' wages, in addition to the liability which he may have incurred by reason of the dispute. If the workman reject the award, the contract will be held to have terminated. 22. An employer who discharges a workman without proper cause or for having joined a union or syndicate or for having taken part in a lawful strike shall be bound, at the option of the workman, either to perform the contract or to indemnify him by the payment of three months' wages. He shall incur the same liability if the workman shall leave his service on account of the lack of good faith on the part of the employer or of maltreatment either as to his own person or that of his wife, parents, children or brothers or sisters.

The employer cannot evade this liability when the maltreatment is inflicted by subordinates or agents acting with his consent or knowledge. 23. Claims of workmen for salaries or wages accrued during the past year and other indemnity claims shall be preferred over any other claims, in case of bankruptcy or composition. 24. Debts contracted by workmen in favor of their employers or their employers' associates, subordinates or agents, may only be charged against the workmen themselves and in no case and for no reason collected from the members of his family. Nor shall such debts be paid by the taking of more than the entire wages of the workman for any one month. 25. No fee shall be charged for finding work for workmen by municipal offices, employment bureaus or other public or private agencies. 26. Every contract of labor between a Mexican citizen and a foreign principal shall be legalized before the competent municipal authority and viséed by the consul of the nation to which the workman is undertaking to go, on the understanding that, in addition to the usual clauses, special and clear provisions shall be inserted for the payment by the foreign principal making the contract of the cost to the laborer of repatriation. 27. The following stipulations shall be null and void and shall not bind the contracting parties, even though embodied in the contract: (a) Stipulations providing for inhuman day's work on account of its notorious excessiveness, in view of the nature of the work. (b) Stipulations providing for a wage rate which in the judgment of the Board of Conciliation and Arbitration is not remunerative. (c) Stipulations providing for a term of more than one week before the payment of wages. (d) Stipulations providing for the assigning of places of amusement, eating places, cafés, taverns, saloons or shops for the payment of wages, when employees of such establish-

ments are not involved. (e) Stipulations involving a direct or indirect obligation to purchase articles of consumption in specified shops or places. (f) Stipulations permitting the retention of wage by way of fines. (g) Stipulations constituting a waiver on the part of the workman of the indemnities to which he may become entitled by reason of labor accident or occupational diseases, damages for breach of contract, or for discharge from work. (h) All other stipulations implying the waiver of any right vested in the workman by labor laws. 28. The law shall decide what property constitutes the family patrimony. These goods shall be inalienable and shall not be mortgaged, nor attached, and may be bequeathed with simplified formalities in the sucession proceedings. 29. Institutions of popular insurance established for old age, sickness, life, unemployment, accident and others of a similar character, are considered of social utility; the Federal and States Governments shall therefore encourage the organization of this character in order to instill and inculcate popular habits of thrift. 30. Coöperative associations for the construction of cheap and sanitary dwelling houses for workmen shall likewise be considered of social utility whenever these properties are designed to be acquired in ownership by the workmen within specified periods."

The position of the Church in Mexico has already been discussed, and comment on the Constitutional provisions in this respect would be superfluous. The question is one of internal policy. The clerical party will naturally disagree with the government's view as to the necessity of such drastic legislation, and doubtless church people generally will consider the various provisions as constituting unwarranted interference with private rights. Whether the hostility of the church party can be of serious embarrassment is doubtful.

The provision that concessions which have resulted in the monopoly of lands, waters and natural resources may be subject to revision, and may be declared null and void where they " seriously prejudice public interest," is very radical, and is declared by many to be destructive of property rights. It is of a general nature. Doubtless it is intended that future legislative action shall make provision for the method of determining whether a concession is seriously prejudicial to public interest, and also what, if any, compensation may be awarded in the event of nullification of existing contracts or concessions. While this provision is very extreme, and bluntly put, it is, probably, no more radical than much of the recent legislation in American states along anti-trust and anti-monopoly lines. The trend of all modern legislation has been toward broadening of the scope of " public interest " as against private rights. Public service corporations twenty years ago denied the right of the State to interfere in their affairs, but to-day accept, and welcome, as a protection, state regulation and supervision. The objection to the clause referred to is made on theoretical grounds, but the danger of such a clause will be more through the method of its application. The same may be said with reference to the provision for the acquisition by the State, through the issuance of bonds, of tracts of private property. Such a provision would be entirely reasonable, presupposing the financial stability of the state. Practically, however, the property owner will object to taking bonds of doubtful value. In justification of such provisions of the constitution its framers say, and with much reason, that a constitution must necessarily be drawn up on ideal lines; that it cannot consider elements of weakness, safeguards against which can be covered by necessary legislative enactment; and

that it must lay down fundamental bases for national policy regardless of immediate conditions.

Provisions for the "nationalization" of lands, mines, oil properties and other natural resources are of especial interest to foreigners. These provisions were made partly because of past troubles in dealing with foreign concerns, and partly in the hope of stimulating national development. Foreign interests see in such legislation a generally hostile attitude toward outside capital. In theory, at least, the provision that lands and subsoil rights shall be owned by Mexicans, or, if owned by foreigners, shall not be subject to diplomatic discussion, is a reasonable one. It says, in effect, that a foreigner may own real property in Mexico if he places himself on a par with Mexicans. To this no reasonable objection can be offered. In its practical application, however, the foreigner may be at a disadvantage. As between his rights and the rights of Mexicans, assuming that the two come in conflict, he feels that he would have local prejudice against him, and that Mexican courts, if called upon, would, in differences between himself and Mexicans, or between himself and the government, be inclined to decide against him. The general policy assumes stability of government and proper dispensation of justice by judicial procedure, and, given these, any opposition would be groundless. Again, the defenders of the constitution say that in framing such a document stability of government and honest dispensation of justice must be taken for granted. While, theoretically, the general idea of full control of national lands and subsoil is a sound one, the time for the promulgation of the principle was unfortunate. Mexico had been, for four years, in a more or less chaotic condition, with scant protection for life and property, and with a total sus-

pension of all judicial procedure. The very government which was proposing this radical change in policy was, in the act of providing a constitution, just emerging from a dictatorship which had declared all constitutional rights inoperative. It is true that the government, in advocating a constitution, was giving evidence of its good faith, and while no one doubted but that its intentions were good, there was still much skepticism as to its ability to carry out its ideals. Foreigners felt that such a policy, advocated by a government which, over a period of years, had proved its stability and the honesty and fairness of its judicial system, would not have met with serious opposition, but that it was expecting too much to ask them, with the uncertainty of existing conditions, to give their assent or to expect their compliance. The general attitude of foreign interests will be discussed further on.

The constitutional provisions covering labor questions have been very generally criticized as socialistic and impractical. They are an attempt, by legislation, to elevate the position of the laboring classes, and, as such, are commendable. They assume that higher wages, shorter hours and better housing and other conditions will automatically elevate the social status of the worker. They ignore some vital factors in the question. Cheap labor, the world over, is cheap in quality as well as in price. Making all due allowance for bad political conditions which permitted the exploitation of the laboring class, the fact remains that the value of the peon labor unit is low largely because his efficiency is low. Higher efficiency would come with a higher educational and intellectual standard, and, had the peon possessed these, he would have made political progress. The peon, through poor political conditions, has not been able to improve his social and political status, and this cannot

be done purely by artificial legislation, no matter how altruistic the motives. The mere granting of higher wages will not accomplish much. The immediate effect of this is to reduce the number of days of work. The peon has very simple wants, and if he can meet his needs by working five days instead of six he will remain idle another day each week. This, with shortening of hours, tends to provide employment for all, but does not mean material progress. Education will, in time, accomplish much, but no matter how effectively an educational program is pushed, its results will not be felt for several years. What is most essential at the moment is that the Indian be taught to work with higher efficiency. A desire for better food, better clothing and stronger offspring will not be developed by constitutional enactment. It has been said that the highest degree of civilization is indicated by the state of savings accounts, or, in other words, that a full development is only reached when man is willing to sacrifice immediate desires to provide for future comfort for himself and his family. The peon is far removed from this state. He is, generally speaking, not even willing to work enough to better his social status. If he has enough to carry himself through to next pay day he is satisfied, even though this represents nothing more than bare existence. Men handling large construction jobs in Mexico know, to a certainty, that they will be short ten or fifteen per cent. of their labor on the day following payday. This, in rural communities, is not due to drinking, but to sheer idleness. The peon gets his pay, pays debts for food used during the previous week, and, if he has anything left over, he feels he can take a day off. The great problem will be to raise his aims and ideals and, through these, increase his desire for work and the efficiency of his labor. Elevation of his status, with suitable legislation

to protect him in his labor, will give him a position in the world which he does not now enjoy. In other words, he will, collectively, be an industrial factor, a producer, a competitor. Failure to elevate him will mean his continuation, and that of national life, on a primitive basis. The question is not as to whether or not the constitutional provisions as to labor are drawn on sound lines, but, rather, whether their application will accomplish the purpose aimed at. There can be no question but that many of the provisions are humane and sensible, and that much care has been taken to eliminate the abuses of the past.

The one provision to which, as a matter of practical application, a vigorous protest can justly be made is that specifying that labor shall participate in all profits, on a basis to be fixed by local commissions. The general principle of profit-sharing has been advocated by many social reformers, and has been practically applied by a good many modern industrial concerns. Such a scheme, applied in Mexico, would doubtless be a factor in stimulating labor to higher efficiency, and, through this, would probably, in the end, be of benefit to the employer. There is, however, little reason to believe that society in Mexico has reached a stage where a scheme of compulsory profit-sharing can safely be left to the decision of local commissions or boards. Such a proposition, however beautiful it may sound in the abstract, is entirely incompatible with the conduct of business or industry under existing conditions. Primarily, it is inconceivable that local boards would be able, even if honest in their intentions, to deal with such a vital question. The moment when society emerges from a purely primitive state, industry becomes national or international in character, and therefore essentially competitive. Industry can only succeed if profitable, and it is quite evident that

the views of local boards on the proportion of profits to be awarded to labor might be so divergent as to place certain industries at a tremendous disadvantage in competition with other regions. Moreover, such a scheme, if attempted at all, would require a degree of intelligence far above the average in the commissions or boards charged with the responsibility of settling the questions involved, and, further, much courage, in the face of popular demands, to stand by honest convictions. The combination of these qualities is rare, even in a highly developed state of society. Mexico has suffered from an autocratic rule which has tended to restrict social development, and it is therefore no reflection on the country to say that it would be difficult, if not impossible, to organize, in the ordinary process of political operations, forty or fifty commissions composed of men strong enough, intelligent enough and honest enough to deal with such difficult and far-reaching problems. That such boards would offer temptation for graft is manifest. Even greater would be the danger of abuse of position for political motives. The tendency of such a proposition would be to discourage those already having industrial investment in Mexico, and to absolutely prohibit any new development along lines of industrial activity. The whole scheme is not only too idealistic, but is calculated to stop progress along much needed lines.

Something may be said along the same line of argument against the constitutional provision for fixing wages by local boards, but, in this, the case is somewhat different in that it may be assumed that the ordinary law of supply and demand will, in the end, settle wage questions.

CHAPTER XX

CONSTITUTIONAL GOVERNMENT

Following the adoption of a new constitution, an election was held and General Carranza was elected president. The election was, to be sure, a one-sided affair, but even if everybody had voted the result would undoubtedly have been the same. Following this, state elections were held, governors being elected in some and members of the national congress elected in all. These elections were the first real elections held in Mexico in many years,— in fact, they were probably the closest approach to popular elections ever held in the country. It is true that people opposed to the government did not vote, partly because of timidity and partly because they felt that their voting would be futile. Nevertheless, there was much keen rivalry between the various factions within the Constitutionalist party. The military wing made a strong fight to control congress, but was defeated, the government coming out with a total of two-thirds of both houses, the balance being divided between other factions. In the elections for governors the government candidates were generally successful. Congress was later convened, empowered the president to negotiate loans for national purposes, for the national railways, and for the creation of a new bank of issue. Under the circumstances anything like constructive legislation was almost out of the question. The government was, moreover, much hindered in its efforts by the constant opposition of the military party and by one or two

political groups which placed personal interest ahead of national needs. However, a good start was made, one particularly important accomplishment being the reorganization of a part of the judiciary, including the selection of members of a supreme court of justice. The names of the men selected as supreme court justices were reassuring, for, while few of the new members had had much experience on the bench, the majority were men of good reputations and in some cases of high standing in their profession. As with most other selections for important posts, the majority of these men were from the northern part of the country.

The government, meanwhile, proceeded with the reorganization of national and local administrations, to increase, so far as possible, the efficiency of governmental functions and to put in systematic shape the collection and remittance of revenues from the various sections of the country. An American expert was invited to study the operations of the various branches of the National treasury, and, as a result of his labors, various divisions and bureaus were brought into closer coördination. An effort, only partially successful, was made to come into closer relations with foreign interests having investments in Mexico, so that, by a more thorough understanding, such interests and the government could be of mutual aid.

A steady and marked improvement in railway earnings reflected better industrial conditions. The most serious drawback in the situation was a serious drouth throughout the country, resulting in a very short crop. This, combined with an embargo placed on foodstuffs from the United States, sent prices to high figures, corn reaching a price of thirty-three pesos a cargo, or over $2.50 a bushel. The high cost of living and lack of work in the fields resulted in the renewal of disturbed

conditions in some rural districts. During the year progress was made in curbing the exactions of the unruly portion of the military element. In the greater part of the country civil administration was again placed in control. At the time of writing (November, 1918), the government is proceeding, necessarily somewhat slowly, in the reorganization of national and state departments. The result of efforts along these lines are already seen in the more precise handling of ordinary government routine, particularly in the various ministries in Mexico City. Some of the departments have been handled with great ability, and are, to-day, on a more efficient basis than ever before. One new department, that of Commerce and Industry, has been created, and deals with commercial questions, mining, oil lands, and industry in general. The majority of foreign interests come under the operations of this department, whose head, Albert J. Pani, is a broad-minded man of high qualifications.

Perhaps the most hopeful feature in the political situation is the fact that a start has been made in the development of public opinion. The beginnings are small, and the growth will be slow, but eventually public opinion will be a great force in Mexico. The government aims to create a new national spirit which will make a patriotic appeal to all elements in the country. That serious motives were back of the revolution is clearly indicated by the fact that a group of a dozen men have, through thick and thin, and in spite of every conceivable sort of discouragement, hung together to give proposed reforms tangible effect. The government has made mistakes, and has, at times, rushed through ill-advised measures to relieve temporary evils. It has not yet restored order everywhere in the country. It still has many grave problems to face. The fact, however, that it has established a government and brought a degree of order

out of a seething state of anarchy entitles it to much credit and gives much hope for the future.

A factor of great importance in the political situation is the general question of wages. Day labor, partly as a result of the political program and partly as a reflection of world-wide conditions, to-day commands from 50 to 100% more than formerly.

RAILWAY OPERATION

The railways in Mexico, forming, as they do, the base of all industrial activity, have presented a serious problem. In the ordinary course of military operations the first objective is to interrupt lines of communication and destroy means of transportation. During more than four years of more or less continuous fighting, the railways have been the target for hostile forces. Track and bridges have been torn up and blown up time and again as opposing forces moved backward and forward. Rolling stock has been destroyed in wrecks or burned to prevent it from falling into hostile hands. In addition to the destruction wrought by military operations, there has been a tremendous amount of damage done by bands of brigands, who seemed to vent all their venom on railway property. Doubtless the mere fact that the government undertook railway operation was a sufficient reason for them to look on railways as natural enemies. At all events, no chance was missed to wreck trains, burn stations, smash up engines and otherwise destroy everything pertaining to the railway system. The government took over the operation of the National Railway Company's system early in the revolution, but for a time anything like regular operation was impossible. Receipts from freight and passenger traffic in January, 1915, were only $93.000 (U. S. currency), as against normal receipts in 1910–1911 of about $2,500,000 per

month. By January, 1916, receipts had been increased to $501,000, in spite of depreciated currency. There was a good monthly increase throughout 1916, the figures reaching $923,000 in August and then falling again because of the drop in exchange. In the Fall part-paper, part-gold tariffs were put in force, and December earnings were $902,000. Full gold tariffs then went in effect, and January, 1917, earnings were $1,336,000. In May the two-million mark was passed, and by October the highest earnings in the history of the system were recorded. The present earnings are about $5,300,000 (pesos) per month, equivalent, at present rate of exchange, to $3,250,000 in United States currency. The figures in American currency are swelled by exchange conditions. Earnings as given cover, however, only cash receipts, and take no account of services performed for the government, inclusion of which would show total receipts 25% in excess of earnings in 1913–1914.

This showing, in view of the physical damage suffered and the consequent shortage of rolling stock, is remarkable. The story of railway operation in Mexico during the years 1914–1917 would, of itself, make a good-sized book. Engines which the average railway man would say were fit only for the junk pile were repaired from day to day and kept in motion. Wreckage was collected and reshaped into freight cars. In fact, a very high degree of resourcefulness was shown in keeping the railways in operation. The difficulties in the matter of equipment were nothing as compared to the dangers incurred by train crews. Train after train was wrecked by bandits, and shooting at the engineer was the first motion in hold-ups. The crews, at times receiving pay which, in depreciated currency, amounted to almost nothing, displayed amazing loyalty.

There were picturesque features of travel, especially in the early part of 1916. At that time tariffs were on a paper currency basis, and one could travel all day for a few cents. The cheap fares resulted in very heavy travel, and, as rolling stock was limited, the cars were as crowded as boxes of sardines. Ingress and egress were so difficult, especially at way stations, that it was a common sight to see passengers being shoved out of car windows. There was no room for the armed escorts of sixty or seventy men which accompanied passenger trains, and the soldiers rode on the roofs of the cars. When the Mexican soldier moves he likes to take his family with him, and every passenger coach, fairly bulging out with passengers, had on its roof a motley collection of soldiers, women, children, red blankets and bundles. The women nursed their children, and made tortillas on tiny braziers, as unconcernedly as if they were at home.

For several months past the showing in earnings on railways has been somewhat artificial, due to the fact that, because of lack of rolling stock, the major portion of merchandise has been shipped as express matter. In other words, express service has taken the place of ordinary freight service. This, of course, has been rather serious, greatly cutting down ordinary traffic. Two, at least, of the large mining companies have purchased engines and freight cars in the United States and have, by arrangement with the National Railways, been operating their own service. One or two trading companies have, under similar arrangements, operated a special service.

The track on the main line from Mexico City to Laredo, Texas, has been well maintained. Sections of the Mexican Central, paralleling this line, have not been operated, rails and other material being used to keep

one line in service. The Mexico City-Vera Cruz line, owned by a British company but operated by the Government, has been well kept up, but the road has suffered very heavily in the loss of engines, passenger coaches and freight cars. A regular service is maintained on practically all the lines radiating from Mexico City. The railways in the North have had a hard time of it. The Mexico Northwestern Railway, running from El Paso southwest through the state of Chihuahua, territory in which the Villistas have been very active, has in four years had a total of over four hundred bridges and culverts destroyed, some good-sized bridges having been burned or blown up four or five times.

DEVELOPMENTS IN YUCATAN

The history of the Yucatan peninsula has been particularly full of interest since the revolutionary movement began in Mexico. This peninsula, comprising the states of Yucatan and Campeche, and the territory of Quintana Roo, is practically detached from the rest of Mexico by a long stretch of swampy land extending across the neck of the peninsula. The country espoused the revolutionary cause early, and the new government had relatively little difficulty in controlling the country. The State of Yucatan produces immense quantities of sisal, or henequen. Sisal is the fiber of a plant of the cactus family and is used very extensively for making certain grades of rope and for the manufacture of binder twine. The land in Yucatan and in a portion of Campeche was divided into large haciendas, or plantations, nearly all of which are devoted to sisal. The climate is tropical, and portions of the peninsula, including practically all the territory of Quintana Roo, are covered with dense tropical forest. In 1916 there was formed, under government auspices, or, more properly, under

state auspices, the Commission Reguladora del Mercado de Henequen, or Regulating Commission for the Henequen Market. This commission undertook to purchase the entire output of sisal and to handle its export and sale. The commission is really a coöperative society of growers. Under special laws passed to cover its operations all sisal produced must be sold to the commission, which handles its export and sale. A fixed price is paid to growers, and net profits, after costs of transportation and selling, are either added to the commission's surplus or distributed pro rata among the producers. The government participates in profits through a special tax on the operations of the commission. Formerly the large buyers fixed the price, and it is claimed that for years a small group of companies which took the entire output had pooling arrangements which automatically kept the price down. What, if any, pooling arrangement existed is not certain. In any event, sisal sold in Yucatan for about seven cents a pound, sometimes as low as five cents, the figure being more or less governed by the price of Manila hemp. The organization of the Regulating Commission took price-making out of the hands of buyers and put it in the hands of the producers. The commission took advantage of the fact that sisal had become a necessity, as, irrespective of price, sufficient Manila hemp could not be produced to make binder twine. Consequently the commission was able to increase the price from time to time to the present figure of 19½ cents. Under this arrangement the grower receives about twelve cents for sisal, and the commission, after paying taxes, freights and marketing expense, nets about four cents — the profits eventually going to the producers. The operations of the commission have been the subject of attacks in the United States, but its contention is that the producers are making the

profit which binding twine manufacturers formerly made, and that advances in price have simply been in response to the law of supply and demand. There appears to be little doubt that at times the commission could have made further increases of as much as fifty per cent. and still have had no difficulty in disposing of all the product. The result of this state monopoly has been profitable to the laborer, to the grower, and to the state. Wages in the peninsula have been advanced from one peso or one peso and a half per day to three and four pesos per day. The state, with its profits from commission operations, has been able to spend considerable money in public works, has bought control of the United Railways of Yucatan, has built some new railways and is planning to extend the railway system through the state of Tabasco to connect with the general railway system of Mexico. The commission has several million dollars in its treasury, and the state has no bonded or floating debt.

Recently the United States food commission made an attempt to secure a reduction in price from 19½ cents to 15 cents — as a measure to reduce cost of wheat production. The commission refused to make any cut, claiming that the price is low in proportion to the price of Manila hemp, and that increases in the past two years have been no greater than increases in prices of other commodities. As this work goes to press the matter appears to be deadlocked.

General Salvador Alvarado, the State Governor, is a man of great capacity and much energy. He has done much to improve the general condition of plantation workers. Owners of haciendas have been induced to allot small tracts of land to their laborers, who, during off hours, can cultivate patches of corn and beans. Many of the laborers will, because of high pay, only

work four days a week, giving a good part of the extra time to cultivating their own patches of corn, or, more frequently, in blissful idleness. This very materially affected sisal production, the 1916 crop falling twenty per cent. below normal. To provide sufficient labor for normal production peons were brought from other parts of the country to Yucatan, the high wages offered being sufficient inducement to attract them. The new order of things worked well for most of the plantation owners. Labor had to be stimulated and coaxed more or less, as the peon could, on the wages of three days, live a week. Plantation owners who were "on the job" had little trouble, but owners who lived in Mexico and expected that, as in the past, the hacienda would take care of itself, found a heavy drop in production. General Alvarado says that three times as many people wear shoes as formerly, and that the desire for these and for better clothes — and gramophones — will, in time, result in steadier work. He hopes to eventually build up a class of small farmers and to start them on plantations of their own in Quintana Roo and Campeche.

Over five hundred new schools have been opened in the state during the past two years, and every village and large plantation now has its school. An agricultural college has been opened, and each hacienda will be entitled to send one pupil to it. The government is planning to erect, through a new company backed by the state, a large number of model workmen's houses. Extensive dock works at Progreso and other ports are being planned. A curious feature of the situation in Yucatan was that the peninsula never accepted the Mexican paper currency. Through all the economic troubles of 1915 and 1916 Yucatan was undisturbed, and did all business on a gold and silver basis.

Vessels having cargo to unload at Progreso have had

a bad time with labor. Union rules as to hours are very rigid, and the men will do no overtime work or night work. As a result ships which formerly cleared in fifteen or eighteen hours now frequently spend two or three days unloading. Labor committees make all sorts of regulations, and employers make much complaint as to conditions. It must be said, however, that the people all look well-fed and contented. The government, by all reports, is well run.

CHAPTER XXI

FINANCIAL NEEDS

Mexico's finances are of interest not only as an abstract proposition but as a matter in which the United States is much interested. The direct obligations of the government as represented by various bond issues, foreign and domestic, amount to a total, including accrued interest, of somewhat over two hundred and fifty million dollars, U. S. currency. There are, in addition, some internal loans of minor importance; a certain amount of bonds issued to take up "Vera Cruz" paper; a considerable amount of government scrip issued to pay troops and civil employees; thirty millions owed to banks; — a total, including bond issues, of slightly more than $300,000,000. In addition to this the government is liable for certain claims for loss of life or destruction of property during the revolution. The amount of these claims is not known, but the general impression that the total will represent a colossal figure is highly erroneous. The heaviest losses have been sustained by the railways, due principally to destruction of equipment. The National Railways of Mexico estimate that for replacement of engines, passenger coaches and freight cars, for reconstruction of track work and for rebuilding stations, the sum of fifty million pesos, or thirty million dollars, will be required. The National Railways system represents, roughly, two-thirds of the total railway mileage in Mexico, and, taking this proportion as a basis, the total

losses would be $45,000,000. This figure may be somewhat low, especially in view of prevailing high prices for railway equipment, but it seems safe to estimate that sixty million dollars will cover the total railway item. The large mining properties at Pachuca, El Oro, Guanajuato and other camps suffered little or no material damage. The public utility concerns in Mexico City, Vera Cruz, Monterrey and other cities have had small physical losses. Some of the power companies have lost much copper wire, but the plants, as a rule, have not been damaged. Plantations and ranches have lost cattle, and have had some damage done to buildings. In the North, Villa exacted cash from mining and other concerns, but in Central Mexico the mining concerns were not seriously molested, and, curiously, through all the troubles, never lost a bar of bullion in transit. Altogether, the property losses were far less than might have been expected. Exclusive of railway losses, it is probable that legitimate foreign claims for property loss will not total forty million dollars, and to this will have to be added such awards as may be made to the families of persons who lost their lives. As the National Railways will be treated separately, only one-third of the total railway estimate need be included as a government liability. Foreign claims for damages to property may, therefore, be calculated at sixty million dollars, and compensation for loss of life may bring the total to seventy million dollars. City properties were not damaged, but Mexican rural properties sustained losses through wanton destruction of buildings, stealing of live stock, and so forth, and thirty million dollars may be included to cover this item. It is quite probable that the total claims filed will far exceed this figure, as there is always a tendency, where dealing with a government, to put in exaggerated figures, but, at a rough calculation,

the total losses (foreign and domestic claims) which could be fairly awarded may be put at a hundred million dollars. These figures make no allowance for indirect loss due to non-production or to losses incident to depreciation in the currency, the total of which would be far greater than the direct loss. Of the total foreign investment in Mexico, amounting to nearly two billion dollars, two-thirds has been producing nothing for four years, representing, at five per cent., a gross loss of three hundred million dollars. Mexican rural properties either produced nothing or received payment in depreciated currency, and the sum total of such loss would be very high. The same may be said of urban property. Claims for loss due to economic conditions or depreciated currency could not, except by a wild stretch of imagination, be made against the government, and the estimate is made on a basis of tangible physical damage only.

If we take the total of claims at $100,000,000, we may assume that the government will, with its bonded and other obligations, have a total debt of $400,000,000. Of this, two-thirds is in bonds bearing 4½ and 5% interest, or calling, roughly, for $12,500,000 in annual charges. If the balance be funded at 6%, requiring $9,000,000, the total annual interest charges will be in the neighborhood of $21,500,000. A considerable sum of money will be needed for public works and other government requirements, possibly amounting to fifty million dollars, and this, if included, would bring the total indebtedness up to $450,000,000, with annual charges amounting to about $25,000,000. The debt, at the rate of $30 per capita, would be low, and the total, in proportion to the country's wealth and natural resources, would be moderate. The gross income of the government to-day is at a rate of fifteen million pesos per

month, or, taking exchange at 62, about one hundred and ten million dollars per year — a larger income than under the Diaz régime. Were it not for the need of a large army the country to-day would be able to meet all its interest charges. The government to-day is able to meet nearly all of its current expenses out of income. Roughly, an increase of twenty-five per cent. in income would meet current expenses and all interest charges, and it would seem, off-hand, as if the day were not far off when all obligations could be taken care of.

There are, however, other phases of the matter to be considered. People holding Mexican securities talk glibly about England, France and the United States taking action to force Mexico to meet her foreign obligations, but they ignore conditions which confront the government. Presumably no government ever likes to default on its obligations, and any such default is almost invariably due solely to inability to pay. Mexico has made no suggestion of repudiation of its debt save as to one item — an issue of bonds by Huerta and claimed by the present government to have been an illegal loan made by a usurping government. The question then becomes purely one of how soon, and to what extent, Mexico can resume payment on her debt.

The situation of Mexico may be compared to that of a huge corporation gone bankrupt. Some creditors want a receiver appointed — in other words, they want foreign intervention, which, financially speaking, would probably increase the total indebtedness. Other creditors want a voice in the management. Still others are willing to leave the matter in the hands of the management — the government — but want some assurance that they will be taken care of. Foreign creditors feel that the United States, because of geographical location and

more particularly because of the Monroe Doctrine, should act as a collection agency to get their claims paid, and assume that, sooner or later, their governments will exert sufficient pressure to bring this about. This line of argument assumes that, in some way or other, Mexico must be made to pay. If a large corporation goes to smash some sort of reorganization is usually provided to conserve its assets and bring its earning power back to a point where it can meet its obligations. Where a government is involved, possession of the property could only be secured by the use of military force. In the case of Mexico it would seem, on broad principles, far wiser to have a friendly reorganization in which the creditors could lend a hand in necessary reconstructive measures. In the reorganization of large corporations sound policy calls for a program of not loading up the reorganized property with so much of a burden, either in amount or in distribution in point of time, as to cause a second collapse of the financial structure. Mexican finance, when reorganized, should be placed on a basis where the country can carry the load without staggering. It would seem that if, in this case, the creditors could get together they could reach an agreement with the government as to the general outline of a financial policy to be pursued, making provision for immediate needs and arranging for a gradual resumption of payments on a basis which would not be too onerous. The natural difficulty is that each particular creditor has his own particular claim, and he is not disposed to make any concessions, even of a temporary nature. The government's general credit is poor, and it has no collateral which it can put up to get any money. It needs funds to organize and properly equip a sufficient force to police the country so that public order may be restored in every section. It needs aid in building up a new bank-

ing system and in rehabilitating its railways. Given public order, a banking system established and railways in full operation, conditions will quickly normalize and the country will derive sufficient income for all needs. Until such a change can be brought about, the government can not meet its obligations, and securities held by its creditors will remain in their depressed state. The total amount of money needed is not great, and, once an agreement could be reached there would be little difficulty in finding it. The creditors, as in the case of large corporations, could well afford, in their own interests, to give new money a prior claim. The mere fact of an agreement being reached would, through eliminating uncertainty, greatly strengthen the position of the government, and, through the establishment of confidence, would tend to normalization of economic and industrial conditions. Naturally, the suggestion of negotiations looking toward such an agreement presupposes a disposition on the part of the government to deal fairly with foreign interests. Many people having investments in Mexico have no confidence in the government. They do not realize, however, that there has been a great improvement in conditions, nor do they make allowance for the fact that the government must, for selfish motives if for no other reason, be anxious to do anything which it reasonably can toward clearing up the financial situation. Whether anything will be done toward opening negotiations is uncertain. The government, by way of a preliminary clearing up of misunderstandings, made an effort last year to have leading interests send representatives to Mexico to study and discuss the situation, but its proposal was somewhat coldly received, and nothing came of the matter.

Mexico, like a good many other countries has, at times, given specific guarantees to secure loans. In this way

eighty-five per cent. of its customs receipts have been hypothecated. The suggestion has been made that she could hypothecate certain taxes, such as those on oil and mine production, to secure a new loan. The strongest private corporations, the world over, are generally those having a limited number of classes as securities. Concerns having numerous classes of obligations, secured by corresponding priorities as to assets and earnings, are never in as strong position as the former, and, in the event of financial embarrassment, invariably suffer through the wrangling between the different sets of creditors. The same is, generally speaking, true as to national obligations. Prof. Adams ("Finance," p. 4) lays down as the first axiom of sound public finance that "A sound financial policy will not impair the patrimony of the State." He says: "It is a fundamental principle of constitutional law that each legislature shall hand down to its successor all the rights and powers and jurisdictions which it received from its predecessor; so in matters of public finance it is incumbent that each succeeding administration shall find as broad a field from which to supply its needs and as fruitful a source of supply as the administration which preceded it. This statement is so reasonable, and springs so naturally from the conception that the state is a personality of perpetual life, that its mere statement must secure for it universal recognition." It is to be hoped that in any financing done in Mexico future needs as well as immediate objects will be borne in mind. There is always danger that under stress of urgent needs the financing will be of such a character as to embarrass future financial operations. Hypothecation of certain taxes or of customs receipts would only render more difficult the reorganization of the whole financial scheme. A general reorganization will, sooner or later, have to take

place, and nothing should be done in the meantime to make the work more difficult.

In any reorganization of finance it will be well to consider the ability of the country to pay, and to so arrange the securities that the fixed charges will, if possible, be reduced. The corporate plan of dividing up obligations between bonds and preferred stocks might furnish a basis for some scheme which would somewhat reduce fixed charges and would, at the same time, give creditors something for the balance of their claims. Nothing can be worse for a government than to have its finances reach a state where there is no hope of ever meeting obligations. If a country cannot pay interest on existing obligations there is no object in piling on more debt, and keeping up the operation until national credit is completely ruined. The Turkish government, bankrupt for a century, has had its finances reorganized half a dozen times, each operation leaving the country with a heavier debt than before. The creditors seem to have suffered from the delusion that by consolidating various debts and a few years of accrued interest, by advancing some new money, and finally, by lumping everything together in a new issue, they would stand better chance of receiving a return on their money. The result is that Turkish bonds for years have sold at fractional amounts of par values. In each case foreign governments have been instrumental in putting through some new scheme of financial reorganization which in the end has been of no benefit to the creditors. It is true that Turkey has suffered much from bad government, but it is also worth remembering that it has always been badly handicapped by a financial load it could not possibly carry. In carrying out general reform measures a good national credit is essential. Nothing so demoralizes a government as lack of confidence on the part of the public. Mexico is

rich but undeveloped. Given public confidence and sincerity of purpose on the part of the government, she can eventually take care of all obligations, but any attempt to make on her demands with which she cannot comply will only mean adding more trouble to a complicated situation.

These remarks on matters of national finance may be applied, in general, to the position of the various Mexican railway properties, and particularly to the Mexican National Railways System. The total railway mileage in Mexico (exclusive of very light lines used for hauling on large haciendas) is, roughly, 21,000 kilometers, or about 14,000 miles. Of the total nearly 9,000 miles are included in the properties belonging to the National Railways. This system was formed through the consolidation, in 1908, of a number of roads, shares of which were, in part, paid for in securities of the National Railways Company. Under the arrangement for consolidation, the government, by purchasing certain interests in roads being merged, acquired about two-thirds of the common stock of the new company and also acquired large blocks of preferred stocks. The obligations of the company as to bonds, notes, interest, and stocks, are approximately as follows:

Underlying bonds (Pesos) ...	138,794,000	
First Mortgage 4½'s	169,608,000	
General Mortgage 4's	101,479,000	409,899,000
6% Notes	67,364,000	67,364,000
Accrued bond interest due ...	71,878,000	
Accrued note interest due ...	14,146,500	86,024,500
Common stock	149,607,000	
First preferred	57,662,000	
Second preferred	240,745,000	448,014,000
Grand Total (Pesos)		1,011,301,500

Roughly speaking, then, the capital liabilities are five hundred million dollars (assuming a value of 50 cents, U. S. currency, to the peso), about one-half in stocks and one-half in bonds, notes and accrued interest. The bonded debt, exclusive of accrued interest, is approximately 45,000 pesos, or $22,500 per mile. Even with outstanding notes and accrued bond interest the debt (exclusive of capital stock) would only be about $32,000 (U. S. Cy.) per mile. This, in comparison to the large American railways systems, would be a very moderate indebtedness per mile. While a large part of the first and general bonds were used to retire outstanding bond and stock issues, and while a portion of these doubtless represented promotion profits, it seems probable that the original actual investment per mile must have been considerably in excess of $32,000 per mile, especially considering the rough character of the country traversed. The difference is represented in losses sustained by original investors, whose securities were shrunk considerably before a general consolidation took place, and by government subsidies. Taking present or even normal replacement cost as a basis, the property, physically, is doubtless worth somewhere between $40,000 and $42,000 (U. S. Cy.) per mile, or a total figure of between 720,000,000 and 760,000,000 pesos. To this sum would have to be added, say, $45,000,000 to put the property in full operating condition, bringing the total value up to $45,000 or $47,000 per mile. The question, however, must be studied on a practical basis of earnings rather than on a theoretical basis of original or replacement costs. Gross earnings in 1909, 1910, 1911, 1912 and 1913 were practically stationary, the maximum being reached for the fiscal year 1910–1911, when receipts totaled 64,066,415 pesos. If the value of the system be taken as 800,000,000 pesos, then the maximum gross earned

would be 8% of the capital, manifestly an absurdly low figure for the capital involved. To put it another way, there would, assuming operating expenses would consume two-thirds of gross revenue, be a net equal to 2½% on eight hundred million pesos. Net revenue, after payment of taxes, amounted to 21,300,000 pesos, or about 2% on the total present capital account, and 2½% on a valuation of eight hundred millon pesos. This was without making any allowance for reserves. Clearly the capital account is out of proportion to the earning power, either past or prospective.

The government position in the matter is technically weak. Looked at calmly, the government is only owner of the railways subject to many prior claims. The line of argument of some friends of the government appears to be that, because the railways are a national necessity, they should belong to the government; that because the government owns a majority of the common stock, they do belong to the government; ipso facto, the government can do as it pleases as to payment of prior claims. It has been suggested, in the able work on railways written by Lic. Fernando Gonzalez Roa, that all creditors waive interest for a period of ten years, by which time the property would be in shape to take care of all its charges and earn a handsome surplus. This reasoning appears to be on false premises. Such a proposition would, in effect, be that every one else interested should make a sacrifice in order that the government should have a valuable property at a future date. If the government has any hope of future railway or other industrial development in Mexico it will have to meet the question fairly and squarely, and it must recognize that, legally, its position in the railways is subject to other claims. To take any other attitude would be, in effect, to repudiate the railway debt, and this is a position that the government

cannot afford to assume. Granted that it is, for political, military and economic reasons, desirable that the government should control or actively manage the railways, such an end should be accomplished in a way which will give due consideration to the claims of those interested in the properties.

Attention is called in Mr. Roa's excellent work to the financial aid in subsidies of cash and bonds given to the railways, and there is the implication that the government has, therefore, another interest in the property than that of a holder of a majority of the common stock. It is true that the government did expend large amounts in subsidies, but this was not as an investor but solely *for the purpose of having railways built.* It may be argued that such aid was unnecessary,— in fact, Mr. Roa rather assumes that the government was inveigled into onerous terms in the various contracts. While, in theory, it should be easy to get capital for railways, in fact it is very difficult, especially in a country where possibilities from the standpoint of railway operations have not been developed. The various western railways in the United States had the greatest possible difficulties in securing the funds for initial construction, and even with large subsidies and land grants all of the roads went through bankruptcy in their early years, because of the lack of sufficient traffic in a sparsely settled territory. There is too much of a disposition in Mexico and in this country to assume that capital is always seeking a chance to gouge somebody, and that, inherently, a banking syndicate is a monster looking for some one to devour. It may be true that some of the terms in railway concessions were unfavorable to the public, but it is absurd to assume, as seems to be assumed, that the whole scheme of railway construction

was a nefarious one designed to put a burden on the public. There were, of course, promotion profits, but without some inducement of this sort no one would have ever attempted the work. Manifestly, a material reduction must be made in the amount of capitalization, and all interested must be prepared to make a sacrifice. It is clear that the security holder would be better off to have a fifty-dollar bond worth fifty dollars than to have a hundred-dollar bond worth thirty dollars. It seems quite within reason to believe that a form of reorganization could be agreed on which would provide new money, cut the bonded indebtedness in two and issue new preferred and common stocks to existing security holders, having in mind the priority of claims, and at the same time make a very material reduction in the total of securities outstanding. Prior to the outbreak of the revolution the company only demonstrated its ability to earn bond interest and an amount sufficient to pay a small dividend in its first preferred stock — and this was without setting up any surplus. The accumulation of a large amount of unpaid interest has only made the situation worse.

The rearrangement of National Railway finances is, in a measure, a simpler matter than that of national finances. The railways company is a private concern, and the government, as a stockholder, could have no reasonable objection to giving to those engaged in financial reorganization a voice in administration. The amount of money needed for rehabilitation is not large. Because of the troubles Mexico has gone through financial houses might have some hesitation in advancing money to the government, fearing waste and extravagance in its disbursement. In the case of the railways this difficulty could be obviated by having credits take the form

of rails, locomotives and cars. The rehabilitation of the railways on a footing where they could give regular and efficient service at normal rates would be a factor of the greatest possible importance in the general development of industry and commerce.

CHAPTER XXII

MEXICO AND THE WORLD WAR

There seems to be a general impression in the United States that Mexico, in the world-war, was pro-German in sympathy. This is partly the result of much German propaganda in Mexico — a campaign pushed with enough energy to give an incorrect impression as to the degree of pro-German feeling. An important factor in creating this impression has been a campaign, conducted for some years, by a number of American newspapers, to do everything possible to discredit Mexico and bring about armed intervention by the United States. This campaign has been waged so persistently that the American view of Mexican affairs has been somewhat distorted. Sensational stories are sent out daily by correspondents along the border regarding Mexican affairs, these yarns usually starting off with the statement that a refugee from somewhere in Mexico brings the news, and so forth. It is safe to say that a goodly percentage of these tales are made out of whole cloth, and that three-fourths of the balance are highly colored affairs. Many reputable newspapers which have no desire to aid in an anti-Mexican campaign are taken in by these stories, and innocently give them wide publicity. There has been a vast amount of disorder in Mexico, and in 1915 and early in 1916 conditions were very bad. The sort of stories printed almost daily give the general impression that conditions are as bad as ever, and that the United States has been constantly facing a menace in

the shape of Mexican-German combination. Much money was spent in German propaganda in Mexico, particularly in stirring up hostility toward the United States. Several papers were subsidized, and one paper, the *Boletin de Guerra,* printed such absurdly wild and silly stuff as to make it the subject of ridicule. It was openly charged that German money was a steady influence with several members of the Mexican congress. All of this, combined with what seemed to be the wavering or hostile attitude of the government, resulted in a very general impression that Mexico was strongly pro-German. The Zimmerman note to Bernstorff, proposing a joint Mexican-Japanese attack on the United States, only tended, in the minds of many, to confirm this belief, although as a matter of fact, the note caused greater surprise in Mexico than anywhere else.

Mexico, for some time, was in a generally hostile frame of mind toward the United States. The occupation of Vera Cruz and the Pershing expedition aroused much bitter feeling. There has always been considerable jealousy, always intensified by the fact that California, Arizona, New Mexico, Oklahoma, Colorado and Texas were once Mexican territory. The Carranza government was bitter over the efforts of the American business interests to have Huerta recognized. Mr. Bryan for a time seemed on the point of acting as backer for Villa and this stirred up ill feeling. The hostility has worn off, but Mexico, in her new-found liberty, is very suspicious. Some of her leaders always look on the United States as a possible enemy, and this is the view of a good many of the military. The French occupation and the war with the United States have made them suspicious, and the greatly exaggerated idea as to profits made by American companies has created a desire for isolation — a desire which found extreme expression

when Zapata said that when his party secured full control of Mexico he would throw out foreigners, tear up the railroads, and return to primitive life. Such a statement does not, of course, voice Mexican opinion, but that there was much hostility to foreigners, and Americans in particular, is beyond question. The suspicions bred of hostility still exist. Mexico felt for a time that the attitude of the United States was hostile. There were many misunderstandings, with blame on both sides. Even the recognition of the government and President Wilson's steady adherence to the principle that Mexico must be allowed to work out her own salvation have not succeeded in wiping out some of the suspicion existing. The general attitude toward the United States is to-day far more friendly than at any time during the past six years, and doubtless Mexico will some day realize that the United States is her best and strongest friend. The government felt, however, that its position in the war should be one of strict neutrality, and it adhered to this policy. To the disinterested observer it seemed that Mexico had every reason to openly express her sympathy for the cause of the Allies. She has just been through a revolution whose chief aim was to do away with an autocratic form of government. If she fears aggression, her greatest protection lies in the fact that the Allies have been fighting for the principle that the world must be made safe for democracy — that the idea that might makes right can have no place in international relations. The majority of Latin-American republics either openly declared war on the side of the Allies or expressed their sympathy with the cause for which they were fighting. A declaration of sympathy would have greatly strengthened the friendship of the United States, and this would have been of very material aid in solving difficult financial and economic prob-

lems. There was no danger of having Mexico as an enemy, as the government fully realizes that hostility to the United States would be suicidal. Technically there could be no objection to neutrality. The advocates of this policy in Mexico took the position that, because of internal problems, Mexico could be of no material aid to the Allies; that, by entering the war on their side, or declaring her sympathy for their cause, she would be making an enemy, while, because of inability to give material aid, she would gain no friends; that, while the pro-German sympathizers were in the minority in Mexico, the government did not wish to antagonize them, as it needed the support of every one in working out its problems; briefly, that Mexico, by departure from neutrality, would have had something to lose and nothing to gain. This line of argument seemed reasonable, but took no account of the fact that practically all of the foreign capital (probably close to two billion dollars) invested in Mexico is American, British, French and Belgian, while German interest, with the exception of a small amount of government bonds held by German banks, has been almost exclusively confined to commercial enterprise. Mexico's international problems will, therefore, be largely with countries in the Allied group, and the friendship of these countries would be of very great help in the arrangement of many pending questions.

German money was spent freely in Mexico throughout the war, and the propaganda was not without influence. Early in 1916 it was a matter of common report in Mexico that one of the Diaz generals, resident in Cuba, had been offered seven million marks to finance a new revolution in Mexico, the aim being to bring on American intervention and thereby divert the supply of munitions then going to the Allies. Later, well-

informed Mexicans expressed their conviction that German money was responsible for the Columbus raid. On the whole, the propaganda accomplished nothing except, perhaps, to have kept Mexico from declaring its sympathy for the Allies. Even though Mexico chose to remain neutral, it is some satisfaction to know that the ablest leaders in the country were strongly pro-Ally, and that the Allied cause had a strong advocate in Mexico's most fearless and influential newspaper, *El Universal.*

Much of the credit for improvement in the relations between the United States and Mexico is due to the untiring efforts of Henry P. Fletcher, the American Ambassador at Mexico City, and Señor Ignacio Bonillas, the Mexican Ambassador at Washington. In selecting Mr. Fletcher for the important post the State Department chose a man of previous valuable experience in Latin-American diplomacy and a man who, through his knowledge of the people and their language, would acquire a thorough understanding of conditions before attempting to pass judgment on the various questions constantly being brought before the embassy. Mr. Fletcher's work has done much to reëstablish, in the minds of the Mexican authorities, a confidence in the general disposition of the American Government. Señor Bonillas is a man of high ideals and broad views, and has a full understanding of American ideas and institutions. He has not only been instrumental in bringing the two governments into closer relations but has done much toward giving the American public a better understanding of the situation in Mexico. In a capital like Mexico City the American Consul General comes in intimate contact with government officials and leaders in business and social activities. Mr. George A. Chamberlain, appointed to this position in 1917, is

an efficient and broad-minded official. He has, moreover, through birth in Brazil and through a dozen years of service in Latin countries, a thorough understanding of the Latin-American viewpoint — an invaluable asset for the post.

There arose, early in 1918, an awkward situation brought about by war conditions. The United States, to prevent any outflow of gold during the war, placed an embargo on gold exports. Mexico has a trade balance, in her favor, amounting to some two million dollars a month, and she wants this paid in gold — an arrangement automatically stopped by the embargo. As a basis for solution of the difficulty, the United States proposed that balances due Mexico should be deposited in New York, and that paper currency should be issued in Mexico against such balances. As an alteration, it was suggested that balances should be settled in United States treasury notes. Neither arrangement was satisfactory to Mexico. Theoretically either method would take care of the matter, but practically there is the very serious objection that the Mexican public at large is in no frame of mind to accept paper currency, regardless of how well it is secured. Public confidence in the government's financial stability is not yet established, and any issue of paper secured by gold deposits in New York would be looked on with suspicion. When the time comes to bring out a paper currency the deposit of funds abroad would be an element of strength rather than of weakness, but it seems highly doubtful if paper secured by such deposits would, at the present time, be well received. The general attitude of the public on the paper question was indicated when, early this year, the government announced its purpose of immediately creating a bank of issue. Protests poured in from every quarter, and the expressions of fear of another economic upheaval were

so great that the government decided to postpone, for an indefinite time, the opening of the new bank. Some of the Mexican government officials feel that the plan of securing issues by deposits in New York would not, even under normal conditions, be calculated to inspire confidence. The Mexican might feel, they say, that he was taking money over the security for which the government issuing it had no control. Speaking broadly, this objection cannot have very much weight. As pointed out elsewhere, the placing of reserves in banks in New York or London would, with the great majority of business people, inspire confidence through dispelling any possible fears that gold reserves securing paper of the government might be used for some other purposes. There is, of course, the possibility of some complication in the event that Mexico should become involved in war with the country where her gold deposits were accumulated. If, for instance, funds securing Mexican bank issues were deposited in New York, there might be a currency panic if Mexico and the United States became involved in war, even if such funds were in no way affected. Whatever may be said on the question pro and con, there is no doubt but that, for immediate purposes, the plan is open to objections.

So far there has been no definite settlement of this question. When the embargo on gold was first placed, Mexico retaliated by placing an embargo on the export of silver. This was a serious blow to the silver producing mines, largely owned by American interests, and much friction resulted. The embargo on silver was subsequently modified. Embargoes placed by the American government on export of foodstuffs have been lifted at various times to permit shipments of corn to Mexico, and, in general, many of the causes for friction between the two countries are disappearing. An effort to greatly

increase the export tax on oil brought a very strong protest from the United States, and the Mexican government finally modified its taxation scheme.

A cause of a certain amount of irritation exists in the situation in the oil district surrounding Tampico. In the chaotic days of 1915 and the early part of 1916 a local chief named Pelaez became dominant in the region. He enforced contributions from the various oil producing companies, giving them, in return, protection. Tampico itself has been under Constitutionalist control for three years, but the oil producing territory, beginning only a few miles from Tampico, has been under Pelaez' control. The oil companies, partly due to stress of local conditions and partly due to lack of confidence in the government, have tacitly supported Pelaez — or have, at least, made his continuance possible through regular contributions. The government is determined sooner or later to end such a situation, as it naturally cannot tolerate the practical alienation of a portion of its territory. The oil companies fear that any move against Pelaez will involve a risk of the destruction of the oil wells. Doubtless when the government acts it will take all necessary measures to protect the oil fields. There would be little reason for referring to the question but for the persistent efforts of a certain group of newspapers in the United States to provoke trouble. These newspapers, under the cloak of a news service, have been periodically sending out a story that the Tampico oil fields were threatened with destruction, that the fuel supply for the British fleet was threatened, and that an occupation of the region by American troops was imminent.

The situation in Tampico has its difficult and embarrassing features, but can hardly be called serious so far as relations between Mexico and the United States are

concerned. A mutual understanding of the difficulties facing both governments will, it is hoped, bring about a proper solution of pending questions. People who have studied the course of Mexican affairs during the past few years fully realize that there are many difficult problems to be solved and that much patience will be required on the part of all concerned. The reconstruction period has barely begun, and no one act, either internal or external, will bring it to a speedy conclusion. Neither is any one act likely to destroy what has already been accomplished. It is clear, however, that Mexico needs all the help she can get. She is somewhat chary about accepting help, and seemingly unduly suspicious. There is a tendency on both sides to quibble a good deal, and this is intensified by the injection of extraneous matters into discussions. The United States sincerely wants to help Mexico, and it is to be hoped that a way will be found to make its purpose so clear that there will be no question as to the cordiality and sincerity of its support. At the moment the greatest obstacle in establishing close relations lies in the suspicion in Mexico as to the ultimate purpose of the United States.

The Mexican official mind ran along this channel: "We have been fighting to establish a democratic government, and throughout our revolution there have been insistent demands for American intervention in our affairs. Some men of prominence in the United States have spoken openly for a protectorate in Mexico. What looked to us like the advance guard of an army of occupation spent some months in Mexico. We became convinced of the sincerity of the American government when it withdrew its troops, and our relations greatly improved. Then came fresh complications. We are selling our products, some at high prices, as we wish to take advantage of high prices prevailing the world over.

The United States objects. We want our pay in money we can use, and again the United States objects. We need corn, and the United States, which has plenty, will not let us have any. We fail to understand, and consequently are incredulous." What this line of reasoning ignores is that the Mexican revolution, of vital interest to its leaders and to the nation, was of only incidental interest in the United States, where there was only an idea that there was a general row on in Mexico, with half a dozen factions fighting for supremacy. It also ignores the fact that even in American government circles which endeavored to keep informed there was only a hazy idea of what it was all about, and that in the general upheaval it was frequently hard to distinguish the real revolution from the mass of disorder accompanying it. Nor is sufficient credit given Mr. Wilson by Mexicans for his attitude, maintained from the start, that Mexico should be given every chance to work out her own salvation. Mexican government officials fail to realize that as a result of the disturbed conditions many American citizens lost their lives, that there was much loss in property, and that, while the Constitutionalist government was not at fault, the American government had a grave responsibility in the matter. Looking at the whole question impartially, there is no question but that the United States had much provocation, and that the American government at times exercised great restraint in dealing with the situation. As to questions now pending, Mexicans fail to understand that in the United States to-day war considerations have crowded everything else out of the public mind, and that the attitude taken by the government on various questions was the result of a general desire to throw every ounce of weight into a "win-the-war" program. German propaganda in Mexico created something of the

impression that the war was a fight between Great Britain and Germany for commercial supremacy, and that America was dragged in casually, largely because of financial considerations. Even well-informed Mexican government officials fail to grasp the fact that the United States was in the war because of the very existence of democratic institutions threatened, and they did not, therefore, understand why the war was so vital and so all-absorbing. To them the war seemed of incidental interest only, and they failed to see why the United States placed every other interest in the background. What appears as essential to reach a solution of pending matters does not involve modification of principles but rather a better understanding on each side of the opposite viewpoint.

A combination of various factors aided Germany in her propaganda in Mexico. The Mexican government was bitter against Great Britain for its recognition of Huerta and its reported efforts to have Huerta sustained by the United States. The government was suspicious of the motives of the United States in the Pershing Expedition. France, Great Britain and the United States have had frequent occasion to complain about losses to properties owned in Mexico, while Germany, having little invested in railways, mines or public utility properties, has had little cause for complaint. Germany's trade was shut off by the war, and practically she had no commercial relations with Mexico. While, during the past four years, nearly every one of the Allied governments has had to discuss with Mexico a hundred and one questions which could cause friction, Germany alone, through lack of any business, was in a position where she could pose as a friend who was making no complaint. Some Mexican government officials doubtless felt that if, in the future, their country should be

involved in trouble with the United States, they would be more likely to receive financial and other support from Germany than from any other source. Moreover, the German military successes during the first three years created a belief that Germany was going to win the war. The entrance of the United States in the war greatly modified this view. The visit of the Mexican editors to the United States in June of this year gave leaders in Mexico an idea of the potential strength of the country, and also did much to convince them that the United States was fighting, disinterestedly, for democratic principles. President Wilson's address in welcoming the editors cleared the atmosphere, especially with regard to the attitude of the United States toward Mexico.

The general attitude of the United States in its foreign relations is frequently misrepresented and often misunderstood in Latin-American countries. The Monroe Doctrine is the greatest possible protection for the Latin-American states from foreign aggression, but it is frequently looked on as a scheme designed to give the United States political and commercial dominance in the Western hemisphere. A good deal of this feeling has been due to the patronizing air sometimes carried by Americans in their dealings, political and commercial, with the people of Latin-American countries. The past isolation of the United States from world affairs, the tremendous development of industry, and the rapid accumulation of vast wealth, have all contributed to a feeling of self-satisfaction in the American viewpoint. This, in turn, has developed the idea that our scheme of things should be the model for all sister republics, and at times expression along these lines has been painfully aggressive. Naturally, a certain amount of resentment has resulted. The American viewpoint has

broadened since the Spanish war, as the responsibilities of colonial possessions have made the country realize the existence of many problems with which we have, previously, never had to deal. The participation of the United States into the world war will further broaden the national viewpoint. Whatever may be said as to narrowness of vision, there can be little doubt as to the general unselfishness of purpose of the United States in its foreign relations. No government, in dealing with other nations, was ever freer from commercial influences. This has been particularly true in the case of Mexico — so much so that business interests have for some years been hostile to the administration. If common precedent had been followed, the United States would have held Cuba as a normal war prize, but instead she has aided Cuba in establishing her own government and in developing her own resources. As a national matter, the Philippines, in money, life and effort, have represented, and will, for some years, represent a far greater expenditure than any direct return. Meanwhile these islands are being developed in material progress, in education and in political thought, with the steadfast purpose of enabling them to govern their own affairs. Porto Rico has been given a large measure of political independence, and will, doubtless within a comparatively short period, be admitted to the sisterhood of states. The vast improvement in the condition of the mass of people in the Philippines and in Porto Rico, the systematic development of education, the absence of any spirit of exploitation, and the high sense of justice displayed in administration, all indicate far higher ideals than are, at times, credited to our "dollar democracy." The United States, occupied with its own tremendous development, has for some years been apathetic about Mexico, but the best thought of the

nation is sympathetic, and there is a genuine desire to aid the country. Owing to the disturbed conditions prevailing during the past seven years there has been considerable confusion in the public mind in the United States, but as conditions become better understood the wish to be of assistance will take practical form. With the end of the war, many of the causes for friction will disappear, and the way paved for more intimate and cordial relations.

CHAPTER XXIII

MEXICO AND FOREIGN CAPITAL

The history of all nations has demonstrated that where social and political conditions were such as to call for reform, the longer reform was postponed the greater was the reaction. Mexico is no exception to the rule. Had the Diaz government adopted a broad policy of reform fifteen or even ten years ago there would have been no revolution. The contention that Mexico was not ready for a democratic form of government is, in the main, true, and however much the new government may wish to be democratic, it cannot be denied that the great mass of the people cannot, at the moment, take an intelligent part in the conduct of public affairs. The adherents of the Diaz scheme of governing make the error, however, of arguing that, because an ideal democracy was impossible, the only solution lay in a military dictatorship. Aside from the abuses which creep in with an autocratic scheme of administration, the mere fact that the Diaz government gave no part of the people any voice in the nation's affairs was, in itself, sooner or later bound to bring on a political upheaval. The Diaz system not only permitted no participation in government, but it took no steps to prepare the public for any future participation. This policy, pursued over a long period, resulted not only in the overthrow of the autocratic scheme but brought into power a government with tendencies to go to opposite extremes. The Diaz policy brought into the country a vast amount of foreign capi-

tal, which was given every aid and, which, in some cases, was aided too much. Nothing is easier than to create in the popular mind the impression that capital is extortionate, and the much exaggerated idea of the benefits accruing to foreign capital resulted in such a demand for the protection of the people from exploitation that there was, and is, the danger of frightening capital away. Capital will stand active shocks, but not uncertainty, and the mere intangible impression that it is likely to receive unfair treatment would be sufficient to cause it to hastily withdraw from the field.

The position of the government as to foreigners and foreign capital, as stated by one of its prominent leaders, is, briefly: Mexico needs foreigners in large numbers, not as promoters but as people who will take up farms, ranches, plantations, and industrial pursuits, and help develop the agricultural and other resources of the country; that she must and will encourage immigration of the sort which will help to accomplish this; that she needs and will welcome foreign capital for large public works, for extensions of the railway system, for banking and for industrial purposes; that foreigners and foreign capital will be given cordial treatment, but that both must come with a national spirit and not for purposes of squeezing all they can out of the country and leaving as little as possible behind — or, in other words, that Mexico wants people who will work for the country as well as themselves, and capital which will re-invest some of its profits in further local development; that the talk of Mexico for Mexicans only is absurd, but that the government must first look to the welfare of its own people; and, finally, that the supposed hostility to foreigners or foreign money is idle talk, and based solely on the fact that foreigners and foreign capital in Mexico have, in

the past, been selfish, with the result of creating a certain amount of anti-foreign feeling.

This sounds reasonable, but implies an undue amount of selfishness on the part of foreigners. It is true that profits from Mexican investments made by foreigners have gone abroad, but it is worth while to note that, by and large, foreigners and foreign concerns have paid better wages and given better treatment to employees than have Mexican employers. General Obregon, who is a passionate nationalist, once said bitterly that if Mexican employers had been as considerate as foreigners in their treatment of labor there would have been no revolution. Foreigners usually paid ten or fifteen per cent. more in wages than Mexican employers, and exploitation of labor through store accounts, etc., was almost unknown. Foreign capital took the labor situation as it found it, and, by way of good measure, added something to current wages. It could not be expected to take the initiative in social reforms. The real difficulty was a political one, with bad social conditions, and while reformers, on analysis of the facts, would recognize this, they find it somewhat easier and more popular to lay much of the blame on the foreigners. The popular feeling, or, to be more correct, the feeling of the middle class, is not, basically, so much anti-foreign as it is anti-capitalistic. As the largest units of capital are foreign, it is rather natural that the foreign element should be given more than their share of the blame for conditions, and the minimum of credit for what they have accomplished. Foreign concerns established in Mexico — railways, tramways, power plants and mines — have done a great deal in the way of developing skilled labor. They have done this, to be sure, because they needed skilled labor, and they have been well repaid in service. Nevertheless,

they should be given the credit of having done much toward developing a middle class.

Mexico has already gone so far in world-progress that she could not isolate herself even if she wished to do so. She has vast natural resources which she wishes to develop. She needs capital for a program of national industrial expansion, and, as she has relatively no capital at home, she must look to other countries for it. To get it, she must give every reasonable assurance of just treatment, and the best assurance any new capital could have would be to see existing investments treated fairly. There is, in Mexico, a good deal of a disposition to find fault with foreigners for things which are the result of natural causes. For instance, there is frequently a lament that such a small percentage of the mining industry is in Mexican hands. Mining, in the past two decades, has become an exact science instead of a huge gamble, and more money is made yearly to-day out of large bodies of low grade ores than was formerly made every decade out of rich strikes and bonanzas. The consequence is that mining operations to-day, to be successful, are usually large operations, requiring heavy investment in properties, mining and milling machinery and refineries. There was not, in Mexico, the capital available for this sort of development, and it was only natural that foreign groups put their money into this class of enterprises. Two years ago the department of mines in Mexico seemed to have the idea that, by some means or other, the large foreign holdings should be cut down, and something of an effort was made to devise legislation which would limit the holdings of any one company. This theory, if carried out — fortunately its fallacy was seen — would have automatically curtailed production. The large properties only make money when running at full capacity with very

heavy tonnage. Three large companies in the Pachuca camp mine and mill a million tons of rock each year. If their aggregate holdings were split up into a hundred parcels no one could make any money, and production would be practically nil. Similarly, the hydro-electric development at Necaxa represents an investment of fifty million dollars, and without foreign capital the stimulus it has given to industry would not have been possible.

Mexico would, doubtless, prefer a general program of development of her resources without foreign financial assistanee, but she has not the funds at her disposal. Even if some of the great works were undertaken by the government, the necessary money would have to come from abroad. If, then, she wants financial aid, she must be prepared to give investments good protection, fair treatment, and an opportunity to make a reasonable profit. This is all the more so when the matter of finding money is looked at from the viewpoint of the extraordinary demands created by the world-war. Capital, the world over, is in greater demand than ever before; demands after the war will be great; — in short, for some time capital will not have to seek far to find good employment. Whether for government or private purposes, capital will not go to Mexico in competition with other countries except for good security and good yield.

On the other hand, capital, whether in the shape of existing investment or future enterprise, should fully recognize its obligations to the country in which it is employed. Foreign investment represents a very large item in the total earning power of the country, and should be prepared to bear its full share of the burden of reconstruction. If all large interests and all large property owners endeavor to dodge their share of the

financial burden it will take three or four times as long to get on a stable basis. Some foreign concerns doing business in Mexico accept, without complaint, an increase of 500 per cent. in taxes at home because they realize that their governments need the money, but they object to a 50 per cent. increase of taxes in Mexico because it is for a foreign government. They do not realize that Mexico has been and is suffering from the effects of nearly seven years of warfare. Aside from the purely financial phase of the situation, they can be of very great help by an endeavor to help the government to solve its various problems. Instead of open hostility or a sort of passive resistance they could accomplish a good deal by trying to meet the government views. Some concerns, both native and foreign, have been perniciously active in their hostility, or stubborn in their resistance, and this has at times interfered with normal progress and even worked to their own detriment. Foreign as well as domestic concerns had a hard time of it; railroad service was irregular; labor was turbulent; bandits roamed through the country; the currency upset the whole scheme; there were deficits instead of profits; and altogether conditions discouraging for any one trying to do business. They had, therefore, much reason for complaint. Fortunately, conditions have greatly improved. Most of the reasons for complaint have disappeared, so that they no longer have the same justification for maintaining a generally antagonistic attitude.

The labor question in Mexico is the most serious problem to-day. It is a real menace, and, unless properly handled, will stop further industrial progress. Labor, feeling that the revolution was for the purpose of aiding the working man, makes all sorts of demands and exactions, and is, in general, inclined to be ex-

tremely tyrannical. According to the labor doctrine as expounded by labor leaders and agitators, capital rights can be put off for indefinite future consideration. There are as many committees as have, by common report, sprung into existence in Russia. Local authorities, elected to office by a labor vote, frequently do not attempt to weigh evidence, and are apt, in general, to urge compliance with demands. The great copper properties at Cananea closed down rather than meet exactions of committees. In greater or less degree, there have been troubles all over the country. Continuance of labor rule of a blind sort will either close down industry or will result in an unhealthy inflation which will, in the end, be disastrous for every one. The government, looking to the mass of people for support, is in a delicate position. Manifestly, however, it must sooner or later realize that unreasonable labor exactions would be destructive to all real progress. The situation has been complicated and clouded by high prices prevailing on certain foodstuffs — a condition which normal crops will relieve — and this doubtless, has made it more difficult for the government to take a decided position on the question.

The experience of the great copper properties at Cananea affords an interesting and very curious example of the sort of difficulties brought about by the demands of labor. The mining company made various increases in pay and concessions of one sort or another, when it was met by a demand for further increase and for participation in profits. The employees discussed the question of whether the company's profits should be fixed at six, eight or ten per cent., the idea being to give employees all excess above the figure to be determined upon. The company finally decided to close down rather than attempt any operation under condi-

tions which were likely to change from day to day. All operations therefore ceased, and the mines — the largest copper producers in the country — were closed down for three months. An agreement was finally made to give the employees four per cent. of the net profits, and, under this arrangement operations were resumed. The mines have been running without interruption for some eight months, and presumably every one is satisfied. The settlement finally made was in striking contrast to some of the extravagant demands made at different times, and the incident illustrates the uncertainty created by the new conditions. The same sort of difficulties have been experienced at many places. Employees have, in the end, usually agreed to terms which were fair and reasonable, but often the original demands made have been of a prohibitive character and calculated to discourage the employer class.

To put foreign investments on a sound basis the requirements, briefly, are: The control of labor to prevent unreasonable exactions in wages or conditions of work; the full reëstablishment of railway service; a policy on the part of the government which will enable them to earn a reasonable return on capital invested; and restoration of order in the rural districts — this last being a problem which has already been met in some sections but which has not even been touched in others. The reorganization of the banking system is, of course, highly important for facilitating full commercial and industrial growth, but is not of as immediate importance as the other questions. There are, in the country, some $180,000,000 (pesos) in gold and silver coins, and while the use of metal currency exclusively is cumbersome, the provision of bank issues is not one of great urgency. The supply of currency would be insufficient

under an expanded volume of business, but takes care of needs for the time being.

Two factors which will, if fully appreciated, exert an influence in relations between the Mexican government and foreign capital may be mentioned. The first of these is the somewhat intangible proposition that there has been, during the past fifteen years, a great improvement in the moral tone of large business transactions. This is due, in part, to the force of public opinion, and, in part, to the tremendous development of corporate business. Twenty years ago, even fifteen years ago, corporations were, relatively, small in size, and many of them were concerns formed for the sake of promotion profits. With rapid growth in size and number their operations attracted more attention than before, and this developed, in their managers and directors, a greater sense of responsibility, not only to their shareholders but to the public at large. This is, in the Mexican investment question, a matter of some importance, as it lessens the chance of free-booting and piratical promotions. It is, to-day, an actual influence. Concerns having large investments in Mexico are inclined, as they were not a decade ago, to realize their moral obligation to national interest.

The other factor is that throughout the revolution the heaviest losers have been the Mexicans themselves. In destruction of property, in upset of business, in loss of income or production, the aggregate of material injury done to Mexican interests is greater than that suffered by foreign interests, and, if the matter be looked at with reference to the number of people affected, the Mexican loss is on a far greater scale. In loss of life, the Mexican civil population has suffered more, by many times, than the foreign population. In these

two items no account is taken of the starvation of thousands of the poorer classes, nor the death of thousands from epidemics which, in sweeping over the country, found easy victims in the badly nourished people. The entire population of Mexico has suffered heavily — has gone through revolutions, counter-revolutions, riots, famine, looting, and epidemics. Foreigners having investments in Mexico but not living there have been apt to look at the revolution in an abstract way, and to consider it only with reference to its effect on their business, scarcely realizing that there has been an upheaval which has affected all the business and all the people of the country. Full realization of the extent of the upheaval will incline people to a greater degree of toleration in considering the position of the government.

There are, to be sure, many who hold the opinion that the state of disorder, approaching anarchy, which prevailed for a long period is evidence that the country is not ready for self-government, and that either a dictatorship or foreign intervention will be required to fully reëstablish and maintain order. It is certain that any attempt to return to a military dictatorship would only result in plunging the country into further disorder. The question then arises as to whether or not foreign intervention is necessary. Disregarding for the moment, all question of foreign investment in Mexico, and considering the subject from the viewpoint of the needs of the Mexican people themselves, would foreign intervention furnish the most satisfactory solution of the problem? Any foreign intervention would be bitterly opposed by a great majority of the people, and its cost to the country in money and bloodshed would be heavy. The whole matter then resolves itself into this: Is the present government equal to the task of governing the country? This, again, raises more questions.

Has the present government the moral and physical force necessary to control the country and to protect life and property? Has it a policy which, if carried out, will bring peace and prosperity to the nation? Are the elements of weakness so great as to imperil ultimate success? These points may be discussed in consecutive order. The present government has certain ideals of reform, and these ideals have given it a moral force of some strength. With these, and by physical force, it has established its power throughout the country, and has, at the very least, succeeded in bringing a reasonable degree of order out of chaos and anarchy. The large centers are all under control, and government authority prevails along railway routes. There is much still to be done, and time will be required to finish the work. In a country of the great size of Mexico, with topographical conditions which make brigandage and guerilla warfare difficult to suppress, it is no easy matter to restore peaceful conditions. Briefly then, the framework of government control has been erected, and the progress of completion will be a matter of time. As to the government policy, the general program, with the exception of danger from the tyranny of labor unions, is, on the whole, capable of bringing peace and prosperity to the people. Time alone will tell whether the program will be applied in a sane and wise spirit. As to elements of weakness, the main danger is from certain pernicious elements in the military, but the government appears to be making headway in curbing these turbulent and selfish spirits. An element of weakness exists in the lack of proper material for civil administration, due, in part, to the fact that a large part of the ablest men in the country were formerly identified, directly or indirectly, with the old régime, and the government has been naturally indisposed to utilize their

services. As the government becomes solidified, and once it has demonstrated wisdom in the solution of political and economic questions, it will receive the support of all classes, and through this, will be able to use timber which, at the moment, is not available. The outlook, on the whole, is far from discouraging and gives, in fact, much hope for success.

Foreign investors generally feel that foreign interests in Mexico deserve special and separate consideration. Foreign governments will naturally be energetic in protecting the lives and properties of their citizens, and the Mexican government doubtless fully realizes the importance, even if only from its own selfish motives, of providing security for life of foreigners and for fair play in dealing with foreign property. It may be assumed, however, that, generally speaking, an administration which will be satisfactory for the Mexican people themselves will be satisfactory for foreigners. If the government is unreasonable or unfair in its general attitude to capital, the result will be as disastrous for Mexicans as for foreigners. If legislation is unsound, or the administration of justice defective, the Mexicans themselves will be the worst sufferers. Undue alarm has been felt by foreign interests in the tendency to "nationalize" foreign companies. The general principle of placing foreign corporations or foreign properties within the control of Mexican administration is not, in itself, either vicious or unnatural. The real question of importance is whether the Mexican government, by its acts and in its administration of justice, will pursue a policy under which there will be material and industrial progress, regardless of whether the capital necessary for such development be of native or foreign origin.

CHAPTER XXIV

FUTURE PROBLEMS

The ultimate success of a democratic form of government will depend largely on the creation of a large class of small landholders, and the government has given a great deal of attention to the question. It is fully realized that a promiscuous distribution of land, such as was attempted by Madero in certain sections, will accomplish nothing. The peons have little initiative, and, while they will work well under supervision, they would be likely to fail as independent farmers. Many of them, given a piece of land, would not know what to do with it. They have been accustomed to work for wages by the day, receiving their pay daily or weekly. As independent farmers they would starve while waiting for their first crop.

In certain sections there are numerous small landholdings, and in such districts the people are contented and relatively well-to-do. The northern part of the state of Puebla is cut up into tiny farms, every foot of rich valley "bottom" land being utilized for raising corn and beans. The country here is very mountainous, and the steepest hillsides are dotted with patches of corn. Riding along in the valleys one can look up at dizzy heights above and see farms perched in the most impossible positions. An incident which happened at the town of Hanchinango will give an idea of the character of the country. An Indian, with one leg fractured and three ribs broken, was brought in

for medical treatment. One of the two Indians who had carried him in on a litter gravely explained that the man had been working on his corn patch but had slipped and fallen off his farm into the valley below! In a district like this, where farming on a small scale has been carried on for centuries, every man could qualify as an independent farmer. Unfortunately, the great bulk of farming has been done by large estates, some of these employing two or three thousand peons. The laborers, although accustomed to farm work, have been purely mechanical units all their lives, and would, in most cases, be quite helpless if turned loose to work out their own salvation on a piece of land. The government is confronted, therefore, with a problem which not only involves some sane scheme of land distribution but also the selection of suitable people who can be depended on to make success of farming. Señor Don Carlos Basave, head of the Caja de Prestamos (the Agrarian Loan Bank) believes it will be possible to place some forty thousand men on small farms each year, taking some from districts where small landholdings have been common, and selecting others from the ranks of foremen and sub-foremen on the big haciendas. He believes, also, that it will be essential to encourage immigration, particularly from Spain and Northern Italy, where climatic and soil conditions are similar to those in Mexico. Spanish and Italian farmers would not only prosper and add to National wealth, but their example would stimulate the Indian in ideas as to farming. It is proposed to sell land in tracts of varying size according to the character of the soil and climatic conditions. In the semi-tropical territory where the soil is rich and there is abundant rainfall, a farm of forty acres would be large enough for an average family, while in the north, where the land is only suit-

able for ranching, grants can be made in tracts of a thousand acres or more. Señor Basave believes that dry farming can be successfully developed on a large scale. The Caja de Prestamos will help finance the small farmer, advancing enough for equipment and making small monthly loans against future crops. The general lines along which the matter is being developed are sound. Naturally, however, much time will be required to bring about tangible results.

Señor Zembrano, governor of the state of Nuevo Leon, advocates a military scheme of farming in order to obtain more immediate results. He believes that the large tracts of idle land should be worked by the Indians under a scheme by which the laborers would be paid ordinary wages and would receive, in addition, a share in the profits. The plan would be handled under government supervision, and those in charge could compel idle men to work. This would not only bring quick results but would also serve the purpose of training large numbers of laborers for farm work, and the more efficient could be selected for grants of land. Such a scheme is quite feasible and could easily be the foundation of a great agrarian development. This or some other form of mobilization of the agricultural resources of the country would make an immense addition to the wealth of the nation, would help solve the government's financial problem, and would, through placing a great number of people at work, stimulate commerce and industry. Mexico's potential wealth in agriculture is immense. Spain, with similar conditions of soil, climate and topography, supports, in an area one-fourth that of Mexico, twenty-six million people. If this be taken as a basis, Mexico could support a hundred million people, and, in place of a shortage of crops for her own needs, she could make heavy exports. The high

prices of cereals brought about by war conditions are likely to continue for two or three years after the war, or at least until normal conditions of transportation have been restored and depleted stocks are brought back to normal. It will be regrettable if Mexico fails to take advantage of the situation.

Spain's agricultural production, especially remarkable in view of the fact that two-thirds of the country is mountainous or sterile, is largely due to irrigation. Mexico has many great areas which could, at comparatively small cost, be irrigated, and production in these areas would be increased four-fold. Along the whole eastern coast, from Puerto de Mexico north to the American border, mountain streams tumble down from the great plateau to pour into the gulf. Great stretches of fertile land, at an elevation of one thousand feet or more, are crossed by these streams and could be easily irrigated. The land would have a supply of water throughout the whole year instead of depending on rainfall during a four-months' wet season. The flow of the Balsas River, turned on the vast area of flat lands in the states of Guerrero and Michoacan, in Southwestern Mexico, would develop the region into one of the richest agricultural sections of the country. In the north half a dozen rivers could be utilized to water lands which now produce nothing. Large irrigation projects would involve a heavy investment, but the cost per acre would be very small. The increased production of the soil would add an immense amount to the wealth of the nation. There is probably no country in the world which has as great potential possibilities for agricultural development, and it is to be hoped that the government will be able to work out a program which will result in placing Mexico in the front rank of producing nations.

The peon is the great problem of Mexico. The popular conception of the Mexican type, based on hair-raising "movies" and wild tales of border bandits, is as incorrect as the general notion entertained by many well-informed Mexicans that the native Indian is a hopeless proposition. Nine-tenths of the total population belong to the peon or humble working class. Two-thirds of all the people are pure Indians, and only one-tenth are pure white. The peon class varies in characteristics in different sections of the country, but, in general, submissiveness and docility are common to all the tribes. The Indian is naturally quiet, serious, and peaceful. He has been a serf so long that he does no thinking for himself. He comes to his employer with all his little troubles, and wants sympathy and help. Like a child, he needs restraint. With restraint removed he is apt to get into mischief. He is easy to lead, and an unscrupulous leader can induce him to commit atrocious deeds. His wants are limited — a cotton shirt, a pair of sandals, a zarape (blanket), and not very much food. He is, as a rule, peculiarly loyal to the man he is serving, and will go through any amount of hardship and suffering with him or for him. He is affectionate, and lovable — no one can have much to do with the pure Mexican Indian without having a genuine affection for him. He is, intellectually, a child. He is apt, but quite undeveloped. His general disposition is peaceful and submissive to a degree that is almost pathetic. He will starve himself and see his family starve around him without uttering a word of complaint — but, given the upper hand, he will go to excesses by way of getting even. The idea that he is warlike and bloodthirsty by nature is entirely erroneous. The testimony of disinterested observers is that the pure Indian type played an insignificant part in the revolu-

tionary movement. The pure Mexican Indian is not, by nature, a fighter. He wants a job or merely a chance to till his patch of land — if he is fortunate enough to have one. He is, like most people of a primitive type, quite indifferent to suffering, and has little regard to the value of human life — his own or that of any one else. For years it was the custom on construction jobs — railways, power plants, and the like — to pay fifty pesos — twenty-five dollars — as compensation for fatal accidents to employees. Fifty pesos in coin, and all at once, was ample compensation for the loss of a husband or a father. The average Indian mind could not think more than fifty pesos' worth. Small wonder, then, that the average killing was an incidental affair.

It must not be assumed, however, that the Indian is in any way deficient. He not only has ability along initiative lines, but has, and always has had, a distinct ability in mechanical matters. The history of early Mexican civilization shows a high degree of inventive ability. Stone was hewn and carved with wonderful ability and accuracy, and huge blocks of stone were moved great distances or erected into pyramids and buildings with seemingly comparative ease. Some American engineers, passing through the valley of the Laxaxalpan River, in the state of Puebla, came across an extremely ingenious device used by an Indian to irrigate his land. The Indian's corn patch, covering perhaps ten acres, was on a "bench" some fifteen or eighteen feet above the level of the stream. The Indian had rigged up a huge water-wheel, some thirty-five feet in diameter, built of wood and bamboo and carrying a large number of buckets, the latter being simply five-gallon gasoline cans obtained from the nearest town. The force of the stream drove the wheel around, and each bucket scooped up a couple of gallons of water,

spilling it into a trough when the bucket reached the top of the wheel. The whole device was crude and simple, and was tied together with bits of thong, hemp and rope. It creaked and groaned a lot — but the Indian, day in and day out, had a steady stream of water running through the length of his little farm. The Indian said the idea was his own, and, as the location was in a remote mountain valley, there could be little doubt but that he was entirely truthful in this. He could neither read nor write, and only knew a little of the Spanish language, speaking practically nothing but the native Indian dialect, and yet he had devised and installed a somewhat cumbersome but very practical means of raising water.

At various times during the past four years practically all Americans have been obliged, in response to orders from the American government, to leave the country, sometimes very precipitately. At such times tramway and power stations, and large and complicated mechanical installations at mines and factories, normally operated by expert American mechanics, had to be left in the hands of Mexican understudies. When the Americans returned, a month or two later, they almost invariably found things running as smoothly as ever. The Mexican "subs," many of whom had come to the plants perfectly green two or three years before, had developed sufficiently to fully understand all the machinery, and had been equal to every emergency which had arisen. The pure Indian race has produced civil and mechanical engineers who would take good rank in any country. The mind of the Indian lad of eighteen is as naturally alert as that of any American boy. He may not reason as quickly, but that is usually because of poor schooling. His faculties simply need training. Full development of these faculties, when

applied to a race, means patient work through two or three generations. Reforms in the political systems started to-day may not bear fruit for many years. The general problem of elevating the social status of the race will occupy public and private attention for half a century before anything like large results are seen. Nevertheless, a start has been made along these lines, and ultimately much will be accomplished. The chief danger to success will be in anxiety to do much in too short a space of time, with a consequent tendency toward superficial instead of real improvement. Prof. Ozuna, a broad-minded educator who has already accomplished much in the extension of education in Mexico, enrolling over 75,000 pupils in the grade schools in the Federal District, once observed that the great fault of the previous régime in educational matters had been in considering that its obligations were fulfilled when a fine string of school edifices had been dedicated.

The Mexican Indian is, in most respects, where he was before the Spanish conquest. Such civilization as he had developed was wiped out, and the invaders gave him nothing to take its place. For three hundred years he was a slave. Mexican independence accomplished little for him in its first half century. The French occupation was, for him, a blank, and the period following it was of such turmoil and disorder that no progress was made. Then came a period of great development under Diaz, with railways and factories and electricity — and still the Indian stayed, socially, where he had been for centuries. Then came the Madero revolution, followed by four years of chaos, from which has emerged a government committed to a program which, if carefully carried out and adhered to year after year, will accomplish much. The Indian has lost four centuries of time. His national development, so rudely stopped by

Cortes, must now be resumed, and, aided by other civilization and by the breadth of Twentieth Century progress, must give him an opportunity to take his place with other peoples.

Mexico, as a country, possesses as great natural wealth as any country in the world. Its wealth is in its soil. An English statesman once said that a country whose wealth was in the soil was like a pyramid with a great base: a shock, no matter how great, would not upset it, and could only do superficial damage. Mexico has suffered, ever since 1911, from more or less continuous fighting, has had every sort and kind of disorder and trouble, and has, only within the last year, shown real signs of emerging from her difficulties. Her real wealth has not been affected. Her riches are in wheat and corn, in cattle, oil, hemp, gold, silver, copper, timber, fruits, coffee, tobacco, sugar, chocolate, and a thousand and one products of the soil. In two decades she has produced a billion dollars' worth of gold and silver. Her oil fields, producing eight million barrels of oil per month, have potential possibilities of producing a billion barrels of oil every year. Her vast forests of pine and mahogany have sufficient timber to supply the whole continent. With a climate which makes harvests possible the year around, with rich soil and an abundance of streams, she has the means to produce sufficient crops to feed a nation six times as great as her own. For industry she has iron and coal. A hundred streams, tumbling down a mile and a half on their way to the sea, have potential power equal to half a dozen Niagaras. She is rich — immensely rich. Few countries have such recuperative powers. Her period of reconstruction is just begun. Her development may, at first, be slow, but, once set in motion, will push forward at an amazing pace. It has been awakened by a violent ex-

plosion. The forces set in motion have not yet had time to take any definite direction, nor has the nation had time to adjust its thoughts to the new order of things. There are excesses, there are extremes, there are a dozen great problems as yet unsolved. The pessimist sees, in the violence of the change, nothing but a halt in industry, a set-back in progress. To the optimist the revolution, in spite of all its ills, means the opening of a new era, of incentive developing initiative, and initiative pushing forward to success.

THE END

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